

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON GENERAL WELFARE

Jointly with

COMMITTEE ON HOUSING
AND BUILDINGS

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October 6, 2016
Start: 1:22 p.m.
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HELD AT: Council Chambers - City Hall

B E F O R E: Stephen T. Levin
Chairperson

Jumaane D. Williams
Chairperson

COUNCIL MEMBERS:

- Rosie Mendez
- Ydanis A. Rodriguez
- Robert E. Cornegy, Jr.
- Rafael L. Espinal, Jr.
- Mark Levine
- Helen K. Rosenthal
- Ritchie J. Torres
- Barry S. Grodenchik
- Rafael Salamanca, Jr.
- Eric A. Ulrich
- Annabel Palma

A P P E A R A N C E S (CONTINUED)

COUNCIL MEMBERS:

Fernando Cabrera
Ruben Wills
Vanessa L. Gibson
Corey D. Johnson

Steven Banks
Commissioner of NYC Department of Social Services

Mindy Tarlow
Director of Mayor's Office of Operations

Anne-Marie Hendrickson
Deputy Commissioner of Asset and Property Management
at NYC Department of Housing and Preservation and
Development

Amy Blumsack
Neighbors Together

Corey Bates
Three-quarter House Tenant Organization

Anthony Coleman
Three-quarter House Tenant Organization

Paulette Soltani
Vocal New York

Giselle Routhier
Coalition for the Homeless

Joshua Goldfein
Legal Aid Society

Alison Wilkey
Prisoner Reentry Institute at John Jay College of
Criminal Justice

A P P E A R A N C E S (CONTINUED)

Enrique Rojas
Women's Prison Association

Tanya Kessler
MFY Legal Services

Constance Lesold
Brooklyn Mental Hygiene Court Monitor's Project

Brenda Riley
Safety Net Activists

Wendy O'Shields
Safety Net Activists

2 CHAIRPERSON WILLIAMS: Good afternoon.

3 My name is Council Member Jumaane Williams, Chair of
4 the Council's Committee on Housing and Building.

5 We're joined with Chair Steve Levin, Chair of the
6 General Welfare Committee. 2013 report by the

7 prisoner re-entry-- sorry, we're joined also by

8 Council Member Gibson, Ulrich, Cabrera, Salamanca,

9 and Torres. 2013 report by the Prisoner Re-entry

10 Institute at John Jay College found that almost 90

11 percent of three-quarter homes analyzed had building

12 code complaints that resulted in at least one

13 violation or stop-work order by Department of

14 Buildings. The violations included illegal

15 conversions, lacking or violating certificates of

16 occupancy, not having work permits, illegal SROs,

17 blocked, locked or improper egress, illegal or

18 defective gas hook-ups, and a failure to maintain.

19 Additionally, because the City's Building Code

20 outlaws cohabitation by four or more unrelated

21 persons, most if not all three-quarter houses are

22 illegal. One of the most significant issues with the

23 three-quarter houses is overcrowding. Often, a

24 single room has beds for between two and eight people

25 with bunk beds placed on all walls, and some place

2 beds in hallways and closets. Three-quarter housing
3 operators are also often violate tenants' rights
4 through unlawful evictions and mandating substance
5 abuse treatments as a condition of residency.

6 Residents report that operators arbitrarily force
7 people out without notice or court papers.

8 Additionally, there are reports that residents are
9 required to attend a particular substance abuse
10 treatment program regardless of their need for such
11 treatment. Reports suggest that operators receive
12 illegal kick-backs from substance abuse providers
13 based on reports that tenants are forced to attend a
14 particular program or face eviction, and are required
15 to hand in daily slips to prove their attendance at
16 such programs. Tenants are illegally evicted upon
17 successful completion of these programs. There are
18 also reports of operators threatening tenants who are
19 on parole or probation. Three of the bills that we
20 are hearing today are in the Committee on Housing and
21 Buildings. Two of the bills, Intro. 1167 and 1171,
22 related to the Department of Housing Preservation and
23 Development's Emergency Housing Services Unit. The
24 unit provides emergency relocation services and
25 rehousing assistance to households who have been

2 displaced from their homes as a result of fire or
3 city issued vacate orders. In the event of building-
4 wide emergency such as a fire or city issued vacate
5 order, owners of residential buildings must provide
6 the names and apartment numbers of all legal tenants
7 in occupancy to EHS. After being assessed, displaced
8 households may be temporarily placed in family
9 centers or single-room occupancy hotels in Manhattan,
10 Bronx, Brooklyn, or Queens. Once a displaced
11 household is relocated through EHS, they might be
12 able to access additional support, including through
13 HPD's Section 8 program which accept EHS referrals.
14 According to advocates for individuals living off
15 three-quarter houses, although such individuals are
16 generally legal tenants of these houses, it is
17 extremely difficult for them to access HPD services,
18 because they lack the documents such as leases that
19 residents traditionally use to provide residency.
20 Intro 1167 would prohibit the Commissioner of the
21 Department of Housing Preservation Development from
22 imposing a time limit on a person's ability to apply
23 for relocation services when a vacate order is in
24 effect for the location where the person lives and
25 the individual is otherwise eligible for those

2 services. Intro. 1171, sponsored by myself, would
3 allow the HPD Commissioner to request verification of
4 occupancy from a tenant or person lawfully entitled
5 to occupy a dwelling in order to receive relocation
6 services. The third bill we'll be hearing testimony
7 on, Intro. 1168, is sponsored by Council Member
8 Torres, would prohibit an owner from conditioning
9 occupancy-- sorry-- would prohibit an owner from
10 conditioning occupancy of a dwelling unit upon the
11 occupants seeking, receiving or refraining from
12 submitting to medical treatment. The bill would also
13 add persons lawfully entitled to occupancy of
14 dwelling units in addition to tenants or groups of
15 tenants as a category of persons that may bring a
16 claim against an owner under the housing maintenance
17 code, and would allow such persons to bring a claim
18 based on this provision. I'd like to thank my staff
19 for the work they did to assemble this hearing,
20 including Nick Smith, my Deputy Chief of Staff and
21 Legislative Director, Jen Wilcox, Assistant Deputy
22 Director for Infrastructure, and Megan Chen, Counsel
23 to the Committee, Guiermo Patino [sp?] and Jose Conde
24 [sp?], Policy Analyst to the Committee, and Sarah
25 Gastelum [sp?], the Committee's Finance Analyst. I'd

2 also like to thank Council Member Levin and the
3 General Welfare Committee staff including Andrea
4 Vasquez, Counsel to the Committees, Tanya Cyrus,
5 Policy Analyst to the Committee, and Maria Nasmith
6 [sp?], the Committee's Finance Analyst. Finally,
7 much thanks to MFY Legal Services who championed this
8 cause. I also want to thank you to all of the Three-
9 quarter Houses Coalition and all the members of the
10 Coalition. As I said outside, it's easy for many of
11 us to stand with you when a problem is presented.
12 It's easy to see. It's easy to understand the
13 difficulties. It's not easy without the work of the
14 people who put in the time and hours to raise it to
15 the level to make us come and stand with you. So,
16 thank you so much. Obviously, this is a horrendous
17 problem, and we had the dual problem of trying to
18 make sure that we find some fixes while not taking
19 housing from people who desperately need it. And so
20 I thank everyone who worked together with us. And so
21 now I'd like to call on my Co-Chair Council Member
22 Steve Levin for an opening statement.

23 CHAIRPERSON LEVIN: Thank you very much,
24 Chair Williams. Good morning. Sorry, good afternoon.
25 I'm Council Member Steve Levin, Chair of the New York

2 City Council's Committee on General Welfare. I'd
3 like to thank my colleague, Council Member Jumaane
4 Williams, Chair of the Committee on Housing and
5 Buildings, for holding this hearing jointly with the
6 General Welfare Committee today. Today, as Council
7 Member Williams said, we are here to examine the
8 issue of three-quarter houses and will consider
9 several pieces of legislation aimed at improving
10 circumstances for those individuals residing in
11 three-quarter houses. I would like to thank all the
12 tenants and advocates, providers and other who are
13 here today to testify and who put in a significant
14 amount of work advocating preparing for this hearing
15 we're holding today. Three-quarter houses are
16 typically one and two-family homes or larger
17 apartment buildings run by operators who rent beds to
18 single adults. These entities are run by operators
19 who hold themselves out to be programs, often as a
20 place for individuals overcoming substance abuse
21 issues after existing residential substance abuse
22 treatment facilities. However, these places
23 typically provide no services, a ripe with building
24 code violations, as Chair Williams said, often are
25 dangerously overcrowded, and they are generally

2 illegal. Although the exact number is unknown. It
3 has been estimated that over 10,000 individuals
4 reside in three-quarter houses. Three-quarter houses
5 continue to proliferate in the City for the same
6 reasons that the shelter census is at an all-time
7 high of almost 60,000 individuals. The rising gap
8 between income and rents, the scarcity of affordable
9 housing, and until the new units begin to come
10 online, the lack of available supportive housing. For
11 individuals living in three-quarter housing, it is
12 often that their only alternative is the DHS shelter
13 system or the street. With over 13,000 single adults
14 living in a shelter system and at least another 3,000
15 living on the street, it is not surprising at all
16 that there are estimated to be thousands of
17 individuals living in three-quarter houses. In a
18 survey conducted of residents of three-quarter
19 houses, individuals reported that despite the
20 problems associated with three-quarter houses, it is
21 preferable to living in shelter. So, despite all of
22 the problems enumerated by Council Member Williams,
23 people still prefer to stay there than to go into the
24 shelter system. Rents in three-quarter houses are
25 typically tied to a resident's public assistance rent

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2 levels, which for those who only receive the Public
3 Assistance Shelter Allowance set by the state is just
4 215 dollars a month. The schedule setting that rate
5 has been unchanged since 1988. Today, we are hearing
6 a resolution sponsored by the speaker of the New York
7 City Council Melissa Mark-Viverito, which calls the
8 state to increase this allowance. It is unreasonable
9 to expect an individual to be able to secure adequate
10 housing if their only assistance is 215 dollars a
11 month. Today, the Committee plans to focus both on
12 the immediate problems facing residents of these
13 buildings and the long term planning that is needed
14 to end the reliance on them. The bills we are
15 hearing today are a way to provide some services for
16 those living in three-quarter houses by informing
17 people of their rights, improving access to
18 relocation services and prohibiting landlords from
19 mandating tenants receive certain medical treatment.
20 We are also here to discuss the Administration's
21 vision for ending the reliance on three-quarter
22 houses. On a personal note, my staff and I worked
23 with MFY Legal Services a number of years ago on a
24 three-quarter house in my district at 66 Clay Street.
25 It was a building owned by a man named Day Deutschman

2 [sp?], and the drug treatment program was CIS
3 Counseling Services. They no longer are in business,
4 I believe, and have lost their OASAS license, and I
5 have to say that setting foot into that building I
6 saw the most harrowing and unsuitable conditions for
7 people to be living in that I've ever seen, and truly
8 vindictive actions by the owner, knocking off the
9 front lock of the door, the lock of the front door,
10 so anybody could come in and out of that building,
11 refusing to fix windows that were broken in the
12 middle of winter, showers and sinks that weren't
13 working, toilets that weren't working, and the
14 individuals that were living there were forced if
15 they wanted to stay with a roof over their head, to
16 endure conditions that we should never allow in New
17 York City, ever. And it is important that we ensure
18 that people have housing. We don't people-- we don't
19 want to create unintended consequences where people
20 lose their housing, but at the same time, we cannot
21 countenance people taking advantage of our most
22 vulnerable populations by committing fraud, by
23 committing violations of the Building Code, by doing
24 everything that they can do to chase the almighty
25 dollar on the backs of vulnerable people, and it is

2 essential that we work together collaboratively with
3 our state agencies, our mental health services
4 providers, and we at the Council and with this
5 Administration, that we build up our infrastructure
6 so that we are creating a fully legal and appropriate
7 infrastructure that would be an effective alternative
8 to basically this illegal system that's in place
9 today. With that, I would like to thank the members
10 of the Administration who've come to testify today,
11 Commissioner Steven Banks, Director Mindy Tarlow,
12 Deputy Commissioner Anne-Marie Hendrickson of HPD.
13 I'd also like to thank the Council Staff for
14 preparing for today's hearing, the Committee Staff of
15 the Housing and Buildings Committee, Jennifer Wilcox,
16 Megan Chen, Guiermo Patino, Jose Conde, Sarah
17 Gastelum, and the Council Committee Staff from the
18 General Welfare Committee, Andrea Vasquez, Policy
19 Analyst Tanya Cyrus, and Finance Analyst Denir
20 Nooshat [sp?], and Supervisor Doheni Sampora [sp?],
21 as well as my Chief of Staff Jonathan Bouche [sp?],
22 Legislative Director Julie Barrow [sp?], and Budget
23 Director Edward Paulino [sp?]. I'd also like to
24 thank former staff members Lisa Bloodgood [sp?] and
25 Ronny Medle [sp?] for working on this issue with MFY

2 Legal Services. So, with that I turn it back over to
3 my colleague for the testimony.

4 CHAIRPERSON WILLIAMS: Thank you. And I
5 also just want to add thank you for the personal note
6 that I hope we as a body keep this in mind. There
7 are definitely always unscrupulous people there. I
8 think this body is doing a good job in stepping in,
9 but we have to think about what we're doing to create
10 the atmosphere by not doing all we can to push
11 forward affordable units wherever we can and every
12 project that comes in front of this body, because it
13 is that pressure that creates this atmosphere for
14 people to do this. So, with that, I want to thank as
15 was thanked already, the panel that we're going to
16 hear from, Commissioner Steve Banks, who probably has
17 the easiest and least controversial job in the City
18 of New York right now, Mindy Tarlow from the Mayor's
19 Office of Operations, and Deputy Commissioner Anne-
20 Marie Hendrickson from HPD. Can you please all raise
21 your right hand? Do you affirm to tell the truth,
22 the whole truth and nothing but the truth in your
23 testimony before this committee and to respond
24 honestly to Council Member questions?

25 COMMISSIONER BANKS: Yes.

2 CHAIRPERSON WILLIAMS: You can begin.

3 COMMISSIONER BANKS: Thank you. Good
4 afternoon, Chairman Levin, Chairman Williams and
5 distinguished members of both the General Welfare and
6 Housing and Buildings Committees. Thank you for
7 inviting us to appear before you today to discuss
8 three-quarter housing. My name is Steven Banks, and
9 I'm the Commissioner of the New York City Department
10 of Social Services which oversees the Human Resources
11 Administration as well as the Department of Homeless
12 Services now. I'm joined today by my colleagues,
13 Director of the Mayor's Office of Operations Mindy
14 Tarlow and Deputy Commissioner of Asset and Property
15 Management at the New York City Department of Housing
16 Preservation and Development Anne-Marie Hendrickson.
17 We will be presenting one set of testimony and
18 different parts of it will be covered by each of us.
19 HRA is the nation's largest social services agency
20 assisting over three million New Yorkers annually
21 through the administration of more than 12 major
22 public benefit and public assistance programs
23 including cash assistance, employment programs, food
24 stamps, and other supports helping New Yorkers remain
25 in the workforce. HRA also plays a role in the

2 administration of housing programs and services,
3 including individuals with HIV, survivors of domestic
4 violence and supportive housing. And much of our work
5 plays a key role in advancing one of this
6 Administration's chief priorities: reducing income
7 inequality and leveling the playing field for all New
8 Yorkers. As part of HRA's overall reform effort, we
9 created the HRA Homelessness Prevention
10 Administration. While HRA has always provided some
11 homelessness prevention services, we've now
12 consolidated all of the HRA homelessness prevention
13 programs into a single unit, and most recently, as a
14 result of the Mayor's 90-day review of homeless
15 services, Homebase, which had been administered by
16 the Department of Homeless Services previously. In
17 addition to Homebase, within Homeless Prevention
18 Administration, the HRA Early Intervention Outreach
19 Team receives early warning referrals from Housing
20 Court Judges, early warning referrals from NYCHA for
21 tenant arrears cases, Adult Protective Services
22 referrals, and referrals from New York City marshals.
23 This team also works closely with the City's Tenant
24 Support Unit to refer low-income New Yorkers to legal
25 services providers under contract with HRA to help

2 them avert eviction, displacement and homelessness.

3 Another key component of HRA's homelessness

4 prevention work is rental assistance. Rental

5 assistance programs to keep families and individuals

6 in their homes and help those in shelter exit to

7 permanent housing are both better for families and

8 individuals and more cost-effective for taxpayers.

9 After Advantage, the State-City rental assistance

10 program supporting thousands of families, was cut in

11 2011, the City's shelter population increased

12 exponentially from about 37,000 to nearly 51,000

13 between 2011 and 2014. Over the past two years, the

14 new rental assistance programs and other permanent

15 housing efforts have enabled more than 40,000

16 children and adults in nearly 14,000 households to

17 avert entry into or move out of Department of

18 Homeless Services and HRA shelters. We've also

19 helped more people with emergency rent assistance,

20 keeping thousands of New Yorkers in their homes. In

21 FY13, HRA provided rent arrears to 42,000 households

22 at a cost of 124.1 million dollars. In FY15, HRA

23 provided rent arrears to nearly 53,000 households at

24 a cost of 180.7 million. The increase in spending of

25 46 percent has resulted from increased monthly rents

2 that families and individuals have to pay, additional
3 households being found eligible due to the increasing
4 gap between rents and income, and enhanced targeting
5 of these services to prevent homelessness through
6 partnerships with community-based organizations.

7 From January 2014 through June 2016, about 131,000
8 households, including about 390,000 people, received
9 emergency rental assistance to help them stay in
10 their homes, averaging about 3,600 dollars per case,
11 which is much less than the 41,000 dollars a year for
12 a family in a shelter. And finally, within the
13 Homeless Prevention Administration, the HRA Office of
14 Civil Justice oversees the City's civil justice
15 services and monitors the progress and effectiveness
16 of these quality free legal assistance programs, a
17 key component of the Administration's plan for
18 addressing the needs of low-income New Yorkers and
19 addressing poverty and income inequality. Providing
20 coordinated homelessness prevention programs,
21 including legal services and rental assistance, is
22 much less expensive than the cost of a homeless
23 shelter. And as I testified last week at the hearing
24 on legal services, the Administration has increased
25 funding for legal services to prevent evictions,

2 harassment, and homelessness 10-fold, from 6.4
3 million in FY13 to 62 million in this fiscal year
4 when the program will be fully implemented. Even
5 before full implementation, we've seen a 24 percent
6 decrease in evictions by City marshals over the past
7 two years and an increase in legal representation of
8 tenants in Housing Court from one percent, as
9 reported for 2013 by the State Office of Court
10 Administration, to 27 percent this year. When this
11 tenant legal services program is fully ramped up this
12 year, the funding will enable legal services
13 organizations to provide legal assistance to 33,000
14 low-income households, including some 113,000 New
15 Yorkers. In our testimony today we will provide an
16 overview of three-quarter housing, the work of the
17 three-quarter housing task force established by Mayor
18 de Blasio, and comments on the bills before the
19 committees today. First, in terms of three-quarter
20 houses, three-quarter housing has come into existence
21 over the past several decades as a result of many of
22 the same drivers that are affecting the shelter
23 census: the lack of appropriate substance use and
24 mental health treatment programs, criminal justice
25 system-involved individuals who are discharged to New

2 York City from upstate prisons, the 215 dollar
3 monthly public assistance rent allowance that has not
4 increased since 1988, stagnant wages, the increasing
5 gap between income and rents, the loss of Single Room
6 Occupancy housing units, and a lack of available
7 supportive and low-rent housing units across the
8 City. These are factors that have built up over many
9 years to the point where 56 percent of New York City
10 residents are paying more than a third of their
11 income for rent and three in ten New Yorkers pay more
12 than 50 percent. More than 500,000 New Yorkers fell
13 into rent arrears during the past year. Three-
14 quarter houses are unlicensed and unregulated
15 buildings, generally two or three-family homes, where
16 many of the City's most vulnerable and economically
17 disadvantaged residents live. Residents include those
18 discharged from psychiatric or substance use
19 treatment programs, those reentering the community
20 after serving time in correctional facilities, and
21 those on public assistance left to find housing with
22 the 215 dollar state-set monthly shelter allowance.
23 The name three-quarter house is taken from the view
24 that they exist somewhere between regulated halfway
25 houses and actual homes. As a vehicle for profit,

2 many operators divide and crowd apartments beyond
3 what is permissible within the building's occupancy
4 limits, which subjects residents to unsafe
5 conditions. In addition, some operators fail to
6 maintain their properties, thereby creating unhealthy
7 or undesirable living environments. Typically found
8 in low-income neighborhoods across the City, three-
9 quarter houses are sometimes billed as transitional
10 housing facilities that provide residents an
11 opportunity to "get back on their feet." Some
12 operators advertise and recruit individuals to their
13 programs with the promise of connections to
14 employment, training, permanent housing, and case
15 management or counseling with the intention that
16 Medicaid benefits will pay for outpatient services.
17 Operators may require that residents abide by a set
18 of so-called "house rules" which can include vacating
19 the premises during the day, or require participation
20 in off-site substance use treatment programs,
21 regardless of the individual's treatment needs, to
22 increase the operator's profit. This type of housing
23 is difficult to track; very little data exists on how
24 many three-quarter houses exist in New York City.
25 Unlike, for example, housing facilities for

2 individuals with addiction which are licensed by the
3 state Office of Alcoholism and Substance Abuse
4 Services, OASAS, three-quarter houses do not provide
5 treatment and therefore are not licensed. Operators
6 instead rent rooms, without providing leases, leaving
7 the residents with little or no legal protections.

8 Operators often unlawfully evict individuals without
9 seeking a court order, which results in housing
10 instability and can lead to cycles of relapse and re-
11 incarceration. Many residents within three-quarter
12 houses are low-income and receive outpatient medical
13 care reimbursed by Medicaid. The federal Anti-
14 Kickback Statute prohibits the knowing and willful
15 exchange, or offer to exchange, of anything of value
16 in an effort to induce or reward the referral of
17 items or services reimbursed by federal health care
18 programs. Unscrupulous actors target these
19 vulnerable individuals by requiring them to receive
20 substance abuse or medical treatment from a specific
21 provider in order to receive lucrative kickbacks in
22 violation of federal law. This practice is made
23 worse by the fact that this network of fraudulent
24 referrals often times inhibits individual choice
25 related to healthcare as well as results in

2 interruptions to work schedules and other commitments
3 these residents have as they seek to improve their
4 lives. To begin to address the problems presented by
5 these houses that have built up over several decades,
6 the City of New York has instituted measures to
7 prohibit referrals of homeless individuals to three-
8 quarter houses. As Chair of the General Welfare
9 Committee of the New York City Council, then-Council
10 Member de Blasio introduced legislation, which led to
11 the promulgation of rules of the City of New York to
12 prevent Department of Homeless Services shelters for
13 single adults from referring clients to permanent
14 housing in buildings that meet one or more of a set
15 of detailed criteria with the aim of ending referrals
16 to three-quarter houses. To begin to address
17 violations of the federal Medicaid law and the Anti-
18 Kickback Statute, in the fall of 2014, as part of the
19 HRA's reform efforts, the HRA program integrity unit
20 began working with law enforcement agencies to
21 investigate operators of three-quarter houses that
22 were requiring residents to participate in specific
23 Medicaid-funded drug treatment programs as a
24 condition of living in a three-quarter house. HRA
25 staff developed a metric to begin to identify three-

2 quarter houses for this investigative and enforcement
3 work. The metric consists of identifying locations
4 at which 10 or more unrelated adults are receiving
5 the 215 dollar state-set monthly public assistance
6 rent allowance. Within HRA, the Investigation,
7 Revenue and Enforcement Administration, IREA, is
8 responsible for helping ensure the integrity of
9 social services programs administered by HRA,
10 including Medicaid. HRA's IREA program is comprised
11 of three major operating units: the Office of
12 Investigation, the Office of Revenue and
13 Administration, and the Medicaid Provider
14 Investigations and Audit Unit. IREA has been working
15 closely with the New York State Office of the
16 Medicaid Inspector General, the Medicaid Fraud
17 Control Unit within the New York State Attorney
18 General's Office, the United States Department of
19 Health and Human Services' Office of the Inspector
20 General, the Special Narcotics Prosecutor of New York
21 City, the District Attorneys, and other local law
22 enforcement and prosecutorial agencies within New
23 York City to identify and pursue Medicaid fraud
24 involving the operators of three-quarter houses.

25 These strong and collaborative relationships have led

2 to the successful arrest and prosecution of
3 individuals engaged in fraud which not only diverts
4 much needed funding from the Medical Assistance
5 Program but frequently victimizes those most in need
6 of health care services. For example, these
7 collaborative enforcement actions in which HRA has
8 participated include the arrests of Yury and Rimma
9 Baumblit, who are detailed in the New York Times'
10 expose, on charges of Medicaid Fraud and Money
11 Laundering as a result of kickbacks from forcing
12 residents living in three-quarter houses to attend
13 drug treatment programs. Additional investigations
14 are continuing in which HRA is participating. I will
15 now turn to my colleague, Mindy Tarlow from the
16 Mayor's Office of Operations to discuss the Three-
17 Quarter Housing Task Force.

18 MINDY TARLOW: Thank you, Commissioner,
19 and good afternoon, everyone, members of the General
20 Welfare and Housing and Buildings Committees. My name
21 is Mindy Tarlow, and I'm the Director of the Mayor's
22 Office of Operations. I appreciate the opportunity to
23 discuss the work of the Three-Quarter Housing Task
24 Force with you. In June of 2015, following a New
25 York Times investigation, Mayor de Blasio announced

2 the formation of an interagency task force to review
3 the use of three-quarter houses in New York City and
4 to address a decades old problem. The Mayor's Office
5 of Operations plays a coordinating role in several
6 interagency initiatives including the Three-Quarter
7 Housing Task Force, monitoring the project management
8 and performance management of these programs. This
9 interagency task force is made up of multiple City
10 agencies, including the Mayor's Office of Operations,
11 the Human Resources Administration, the Department of
12 Housing Preservation and Development, the Department
13 of Buildings, and the Fire Department. The work of
14 the Task Force began with a review of all residences
15 identified by the Human Resources Administration
16 that, as the Commissioner said earlier, housed 10 or
17 more unrelated adults who receive the 215 dollar
18 State-set public assistance rent allowance. In
19 addition to the addresses identified through the use
20 of this metric, we include addresses that come to us
21 from advocates and also through 311 complaints. This
22 combination of information has served as a proxy to
23 identify three-quarter houses because there is no
24 registry of three-quarter houses or other means to
25 identify such locations. We acknowledge that there

2 are ways that three-quarter housing operators can
3 conceal their locations from HRA, but this is the
4 best information available to us and importantly, it
5 is routinely refreshed by HRA. Since the launch of
6 the Task Force, inspectors from task force agencies
7 have visited and inspected the locations identified
8 through the information gathering process that I just
9 described to determine whether there were health and
10 safety violations. The Task Force has convened
11 regularly for post-inspection discussion and follow-
12 up. This joint task force inspects each of the
13 buildings with a focus on addressing immediate health
14 and safety issues for residents. These inspections
15 result in a number of actions. For example, when
16 crowding is discovered at individual locations,
17 members of the task force return to the building and
18 conduct voluntary relocations from these sites to
19 bring the building to acceptable safety standards.
20 Each of the agencies, when appropriate, issues
21 violations and follows up in their standard course of
22 business. For example, serious enough violations
23 result in the agency sending out inspectors to follow
24 up within 30 days. Some conditions are remedied by
25 HPD's Emergency Repair Program, a program by which

2 HPD completes the repairs on the most serious
3 conditions on a location and bills the building owner
4 for the repair. These conditions are often
5 associated with ensuring that locations have the
6 proper means of egress. I'm going to turn the
7 testimony back over to Commissioner Banks to discuss
8 the role of HRA in the Task Force, specifically
9 related to the individuals who were voluntarily
10 relocated as the result of the joint task force
11 inspections.

12 COMMISSIONER BANKS: As of October 4th,
13 the Task Force has conducted 169 inspections, across
14 95 unique buildings and 428 single adults have
15 voluntarily moved from 44 of these buildings into
16 temporary emergency housing that is similar to that
17 operated when an individual is relocated due to a
18 fire, an unsafe condition, a gas leak or a natural
19 disaster. At the temporary housing sites there is
20 24-hour seven-day a week security, and each client is
21 provided with case management services and permanent
22 housing relocation assistance by vendors contracted
23 through HRA. Case management includes initial and
24 ongoing psychosocial needs assessments and, if
25 necessary, referrals to substance use, and/or mental

2 health programs or other services. Case management
3 includes coordination of and assistance in attending
4 treatment and service appointments, including
5 mandated appointments with HRA for those who have an
6 HRA case. For the 428 individuals voluntarily
7 relocated from three-quarter houses and those in
8 former Narco Freedom locations which had to be closed
9 when that entity ceased operating as a result of a
10 federal court enforcement action, the rehousing
11 program has achieved the following permanent housing
12 placements using the HRA rental assistance programs
13 that I described earlier in the testimony and other
14 housing assistance. So, far, the total number of
15 placements for former Narco Freedom residents is 254
16 placements into housing as of October 5th, and for
17 those relocated residents in three-quarter houses in
18 the temporary rehousing sites, 139 of those
19 individuals have already been connected to permanent
20 housing. So, altogether 393 residents of either the
21 Narco Freedom three-quarter houses or the three-
22 quarter house residents that voluntarily relocated
23 have been provided with rental assistance and
24 obtained permanent housing. While much has been
25 accomplished in the past 15 months to address the

2 problems associated with three-quarter housing that
3 have built up over several decades, to truly address
4 the complex problems that the Task Force has
5 uncovered, a comprehensive approach by all three
6 levels of government is needed in order to tackle the
7 availability of affordable and supportive housing
8 throughout the New York City. With respect to the
9 legislation before the Committees, as the Committees
10 consider the package of legislation before today, we
11 want to provide some initial feedback on the bills
12 that impact HRA. First, Intro. 1164, a Local Law to
13 amend the Administrative Code of the City of New York
14 in relation to information regarding unlawful
15 evictions. Enhancing tenant rights and knowledge
16 pertaining to those rights is of paramount importance
17 to this Administration. As part of the
18 implementation of the ten-fold increase in free legal
19 services, in 2015 we also launched the Tenant Support
20 Unit, which proactively engages New Yorkers who may
21 be at risk of displacement or harassment. This unit
22 goes door-to-door in neighborhoods across the City,
23 informing tenants of their rights, documenting
24 building violations, soliciting complaints related to
25 harassment and eviction, and making referrals to free

2 legal support whenever necessary. The TSU, the Tenant
3 Support Unit specialists, have identified and worked
4 with thousands of tenants in need of assistance,
5 resolving their respective issues by connecting them
6 with a range of services from basic repairs to legal
7 representation in housing court. The Tenant Support
8 Unit informs tenants about their rights under rent
9 regulation, helps enroll tenants in SCRIE and DRIE,
10 helps secure rent reductions when tenants are
11 overcharged, prevents evictions in court, keeps New
12 Yorkers in their homes stay in their homes by
13 leveraging HRA resources such as One Shot Deals and
14 gets rent arrears paid through Homebase. To date,
15 the Tenant Support Unit has knocked on 101,542 doors,
16 placed 52,919 calls and attended 624 events across
17 the city to inform tenants of their rights and
18 connect them to resources, including 770 referrals to
19 legal service providers. Out of 4,129 cases,
20 resulting from tenant intakes by the Tenant Support
21 Unit through the approaches described above, 2,479
22 have been resolved, resulting in repairs made,
23 referrals to legal service providers, or referrals to
24 HPD. We support the intent of Intro. 1164, as it
25 aligns with existing efforts of the Administration.

2 We would like to work with the Council regarding the
3 best approach to ensure that clients are able to be
4 better informed of their rights and have proof of
5 payment concerning rent through rental subsidies.

6 Through AccessNYC, the current system used for
7 clients to obtain information about their public
8 assistance case, those in receipt of rental
9 assistance can now obtain proof of rental payment
10 through the AccessNYC self-service portal. As an
11 alternative to the current approach in the bill, we
12 suggest that it would be more effective to require
13 this rent payment receipt available from AccessNYC to
14 contain a statement explaining that pursuant to local
15 law persons who lawfully occupy dwelling units for 30
16 consecutive days or longer may not be evicted without
17 a court order. And we look forward to working with
18 you to make modification to provide for that, what we
19 think is a more direct way of informing individuals
20 about the Lock-Out Law Protections, given changes in
21 technology that we've been implementing as part of
22 the HRA reforms. Intro. 1166, a Local Law in
23 relation to reporting on violations issued to three-
24 quarter houses. This bill would require the Human
25 Resources Administration to submit to the Council and

2 post on our website a quarterly report that includes
3 the number and type of violations issued to three-
4 quarter houses inspected by the Task Force comprised
5 of inspectors from HRA, the Department of Buildings,
6 the Fire Department and the Department of Housing
7 Preservation and Development. In partnership with
8 the members of the Task Force, HRA is able to compile
9 some of the information requested in the bill to be
10 included in a report on a quarterly basis. HRA has
11 reported information concerning the findings of the
12 Task Force, the overall findings of the Task Force,
13 to advocacy groups with which we have been working.
14 Since the Task Force was formed, I have met regularly
15 with advocates including MFY, Legal Aid, the Tenants
16 Organizing Project, and Neighbors Together. In these
17 meetings, as we have done today in our testimony, I
18 have provided updates on the number of buildings the
19 Task Force has inspected and voluntary relocations
20 and housing placements. In addition to this basic
21 information, we are able to report on the number of
22 instances in which the Department of Social Services
23 and Human Resources Administration stopped rent
24 payments to a landlord due to the findings of the
25 three-quarter houses Task Force. HRA currently stops

2 the rent payments of clients relocated by the Task
3 Force. We cannot, however, identify buildings and
4 violations in such a way that would disclose a
5 building's address because we are required to
6 maintain the confidentiality of clients in accordance
7 with New York Social Services Law Section 136 and
8 associated regulations. Overall, we agree with the
9 aim of the bill to track the activity of the Task
10 Force. We have some concerns, however, that some of
11 the reporting requirements related to violations
12 contained within the bill are not as clear as they
13 could be, and could have unintended consequences
14 resulting in the displacement of residents who want
15 to work-- who want to and can safely remain in their
16 housing. We would like to work with the Council on
17 modifications in order to develop reporting metrics
18 that will be clear and useful, and accurately capture
19 the work of the Task Force and provide the Council
20 with the information that you're seeking. Resolution
21 Number 1035 calling upon the New York State Office of
22 Temporary and Disability Assistance to promulgate a
23 rule which would increase the current public
24 assistance rental allowance levels from the existing
25 rates. The state-set monthly shelter allowance of

2 215 dollars for single adults has not been raised in
3 several decades, which has limited the ability of
4 low-income individuals to find suitable and
5 affordable housing. We've been on record in pointing
6 out that the 215 dollar allowance is a factor in the
7 three-quarter houses problem that has built up over
8 several decades. We have recently received a
9 proposal that Assemblyman Hevesi, Chair of the
10 Assembly Social Services Committee, plans to
11 introduce to address the current state-set shelter
12 allowance. We are reviewing that proposal and look
13 forward to reporting back to the Council regarding
14 how this proposal relates to the shelter allowance
15 and the City programs that we have establish to
16 address the gap between rents and income. And we
17 look forward to working with the Council on this
18 resolution as well. I will now turn to HPD for their
19 responses on the other bills before the Committees
20 today.

21 ANNE-MARIE HENDRICKSON: Thank you,
22 Commissioner Banks. Good afternoon members of the
23 General Welfare and Housing and Buildings Committee.
24 My name is Anne-Marie Hendrickson, and I'm the Deputy
25 Commissioner of HPD's Office of Asset and Property

2 Management. HPD's Emergency Housing Services program
3 falls within my office. Thank you for the
4 opportunity to testify today. Intro. 1167, a Local
5 Law to amend the Administrative Code of the City of
6 New York in relation to time limits on the receipt of
7 re-location services. In mid-2015, HPD implemented a
8 new rule changing HPD's relocation payments and
9 services. One change in the new rules, which was
10 carefully considered during the rulemaking process,
11 provides for a 90-day time period for occupants to
12 decide whether or not they wish to apply for
13 relocation benefits. At any point during these 90
14 days, vacated occupants can apply and, if found
15 eligible, register to enter temporary shelter. Once
16 in shelter they will receive relocation assistance
17 and housing placement services, counseling, benefits
18 advocacy, referrals to other external human services,
19 and independent living workshops. Alternatively,
20 residents can choose to decline shelter and remain
21 with friends, family, or other living situations, but
22 still receive the same relocation assistance and
23 housing placement services. The decision to limit
24 the amount of time that vacated occupants have to
25 inform HPD of whether they need relocation benefits,

2 including temporary shelter, was informed by our
3 experiences with the prior rule, which did not
4 provide a time limit for applying for relocation
5 benefits, and was made after carefully considering
6 comments and input from the public. In fact, the
7 original proposal of 30 days to apply for benefits in
8 the proposed rulemaking was increased to 90 days in
9 response to public comment. Intro 1167 would
10 effectively overturn the standard that was adopted
11 after careful consideration and hearing from the
12 public, and revert the Department back to older
13 practices. The Department opposes this legislation
14 because we believe, as our Rule indicated, that 90
15 days is a reasonable period of time for residents
16 impacted by a vacate order to apply for services. In
17 our experience, once 90 days have passed, vacated
18 occupants who request assistance have most likely
19 experienced another triggering event such as job loss
20 or eviction from a different unit, separate from the
21 vacate event. In order to provide efficient services
22 targeted to the households most in need, there must
23 be a closing date so that the agency can manage and
24 assist those households. Intro. 1168: A local law to
25 amend the administrative code of the City of New

2 York, in relation to making it unlawful to mandate
3 medical treatment and expanding who may institute a
4 housing court claim. Intro. 1168 prohibits owners
5 from conditioning occupancy upon an occupant seeking,
6 receiving, or refusing medical treatment. It
7 provides that a violation of this prohibition can be
8 challenged in housing court. The bill carves out
9 certain state and federal programs that presumably
10 mandate participation in certain treatment programs.
11 We agree that it is important to prevent owners from
12 locking out occupants or committing fraud by
13 mandating participation in unnecessary or
14 inappropriate medical treatments. HPD is reviewing
15 the introduction for any legal issues raised by state
16 or federal laws that provide similar or overlapping
17 protections for those occupants. And finally, Intro.
18 1171: A local law to amend the administrative code of
19 the City of New York, in relation to verification
20 occupancy for relocation services. The Department
21 also has concerns with Intro. 1171, which seeks to
22 codify the documentation requirements for
23 demonstrating eligibility for relocation benefits.
24 Currently, the Department's rules allow for a
25 flexible administrative process. HPD has a broad

2 checklist of items that allows us to verify occupancy
3 so that households can receive relocation benefits.

4 Under our current process, we work with each client
5 individually and account for their unique

6 circumstances. We believe that legislating

7 eligibility documentation prevents us from having

8 full flexibility and the ability to change as needed,

9 particularly for the benefit of tenants. We would be

10 happy to share our documentation checklist and

11 discuss our current process with you. There is an

12 additional reason to limit changes to the relocation

13 provisions of the Administrative Code at this time.

14 There is pending litigation against the Department

15 regarding the relocation liens that are authorized

16 under the statute. The relocation statute provides

17 HPD with authority to place a mechanics lien against

18 the vacated property for the costs of providing

19 temporary shelter to relocates, where the vacate

20 order resulted from owner negligence. At question in

21 the litigation is the length of time that HPD paid

22 for temporary shelter expenses and placement of a

23 lien on the property to cover these expenses. Given

24 the impact a Court of Appeals decision is likely to

25 have on the enforceability of HPD's relocation liens

2 and its relocation procedures, we believe it best to
3 wait and assess the outcome of the case before
4 considering legislation amending any provision in the
5 relocation statute. For this reason, we do not
6 support Intro. 1171 at this time. Thank you for the
7 opportunity to testify today and to share the
8 progress of the Three-Quarter House Task Force and to
9 respond to the bills before the Committees. We look
10 forward to your questions.

11 CHAIRPERSON WILLIAMS: Thank you very
12 much for the testimony, and I'd like to say that you
13 may see some us here who have gone purple. For the
14 day, the Council has gone purple to bring awareness
15 to domestic violence and intimate partner abuse. We
16 also have been joined by Council Member Johnson,
17 Richards, Wills, Grodenchik, Cornegy, and Levine.
18 I'm going to turn it over to my colleague who's going
19 to ask the first initial questions. I did want to,
20 both my colleague and I wanted to ask if the people
21 who are on this panel can stay for the next panel.
22 Those are going to be some tenants and advocates who
23 are going to speak, and we want to make sure that you
24 hear their testimony before you leave. So, at least

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2 for the next panel after this, if you can wait, that
3 will be fantastic. Thank you.

4 CHAIRPERSON LEVIN: Thank you very much,
5 Chair Williams. First question is, do we-- does
6 through your efforts over the last year, do we have a
7 complete or at least semi-complete picture of how
8 many three-quarter houses are in New York City at any
9 given time?

10 COMMISSIONER BANKS: We're limited by the
11 HRA metric, complaints through 311, information from
12 advocates who have been tremendously helpful, because
13 landlords that are not using public assistance as
14 their funding stream, we're unable to discover it
15 through the metric that we're using.

16 CHAIRPERSON LEVIN: How many have we
17 discovered through--

18 COMMISSIONER BANKS: [interposing] The 95,
19 the buildings that we have inspected.

20 CHAIRPERSON LEVIN: So there are only 95
21 buildings that--

22 COMMISSIONER BANKS: [interposing] Met
23 that metric.

24 CHAIRPERSON LEVIN: met that metric.
25

2 COMMISSIONER BANKS: Right. Of course, we
3 receive reports from advocates about other locations.
4 We go and inspect them, and some cases it turned out
5 to be three-quarter houses within that 95 in some
6 cases that have turned out to not meet the standard,
7 but we've been involved with providing services
8 anyway. But I think it highlights what the
9 background issue that we're presenting in our
10 testament. I know both the Chairs presented in your
11 opening statements, which is this problem that's gone
12 on for several decades is occurring, it's the
13 background of a range of other factors, and we've
14 been able to take the first steps forward in several
15 decades to identify locations using a metric, but the
16 metric is limited because of the ability of operators
17 to conceal their operations.

18 CHAIRPERSON LEVIN: So, the 2013 Prisoner
19 Re-entry Institutes Report identifies 317 addresses.
20 Has the taskforce worked with the authors of the
21 report? Because I'm assuming those 317 address, they
22 know which addresses those are to go out and use--
23 has the taskforce used that data to inform their
24 work.

2 COMMISSIONER BANKS: One of the problems
3 with this area is that operators have a building;
4 they stop using that building. They go to another
5 building. It's one of the challenges that we had
6 when we began to do the inspections originally, which
7 was a concern about an operator closing down a
8 building and transferring all the residents to some
9 other location. We certainly looked at the John Jay
10 report. They've been part of the meetings that we've
11 been having periodically, but we're very focused on
12 information that we can use to go out and inspect
13 based on information we have.

14 CHAIRPERSON LEVIN: So, all 317 of those
15 address have been inspected?

16 COMMISSIONER BANKS: Again, we're looking
17 at the addresses where we ourselves have information
18 where we know that it's a place we can go to. Some of
19 those addresses, you know, were part of the Narco
20 Freedom Network which is now closed down.

21 CHAIRPERSON LEVIN: Right.

22 COMMISSIONER BANKS: So, that would-- the
23 ones that we--

24 CHAIRPERSON LEVIN: [interposing] How many
25 were Narco Freedom?

2 COMMISSIONER BANKS: There were 18 Narco
3 Freedom locations at one point in time, and they had
4 other locations as well. But again, I want to be
5 clear in this hearing, we're open to suggestions for
6 looking at other locations. On the other hand, this
7 is a unprecedented amassing of inspection resources
8 to try to address a problem, and we want to be
9 mindful to focus on the locations where we have
10 concrete information that there are people there now.
11 The excellent report that was done by--

12 CHAIRPERSON LEVIN: [interposing] But they
13 seem-- yeah.

14 COMMISSIONER BANKS: done was really, you
15 know, a fair time ago.

16 CHAIRPERSON LEVIN: But they seem to have
17 identified-- obviously, this is three years ago, but
18 they seem to have identified the specific buildings
19 because then they examined the number of violations
20 on all of those good. I think it would be helpful to
21 know. I mean, you could even, you know, it could be
22 in a, you know, Excel spreadsheet all the addresses
23 that they identified in 2013. You check a box. Were
24 they still there? You know? Did they have
25 violations? How many violations? But at least

2 there's some tracking of those addresses if they
3 were-- if the program moved, it moved, but at least
4 we'd be able to track what's happening in each of
5 those addresses.

6 COMMISSIONER BANKS: Right. Again, I want
7 to caution us all, that there's another work stream
8 going on here which I talked about in the testimony
9 which is the Medicaid fraud enforcement work that is
10 going on by HRA staff together with other law
11 enforcement agencies. So, some of those addresses
12 have been eliminated as a result of activity. But
13 again, we're going to take all the suggestions that
14 are provided today, follow up with you, take them
15 into account as we continue to move forward, but I
16 want to say again that the resources that we have
17 devoted to this over the last 12 months, frankly if
18 they had been dedicated over the last 20 years, we
19 may not be having the hearing, and so we had to start
20 someplace.

21 CHAIRPERSON LEVIN: Yeah.

22 COMMISSIONER BANKS: And we started with
23 the locations we've known about through the metrics
24 or through the 311 complaints or through advocate

2 information from good partners in the advocacy
3 community.

4 CHAIRPERSON LEVIN: But--

5 COMMISSIONER BANKS: [interposing] And
6 that's helped us get as far as we've gotten, but
7 we're open to suggestions about how to take further
8 steps.

9 CHAIRPERSON LEVIN: If, as the report
10 estimates, that it could be upwards of 10,000 people,
11 if we relocated 200-- sorry, 428, you know, that's
12 about five percent. So, I mean, it could very well
13 represent the tip of the iceberg, and I applaud the
14 work that's been done over the last year. There
15 remains, I believe, a lot more work to be done. With
16 regard just really specifically to the Medicaid fraud
17 work that you've been doing, how many programs have
18 had-- have been either censured or lost their license
19 as a result of that work?

20 COMMISSIONER BANKS: Again, this is a law
21 enforcement initiative and there are a number of
22 ongoing investigations unfortunately, I can't comment
23 on. The Narco Freedom One was something that the
24 federal government took the lead in, and there are
25 other cases that have been brought in terms of some

2 of the other providers. Just to go back to your
3 prior question, I want to also give you the context.
4 The locations that we've looked at including the
5 Narco Freedom locations that have been closed as a
6 result of the Federal court litigation, at the
7 beginning of this process there were 2,500,
8 approximately 2,500, people that at different points
9 in time have been in those locations. So, that's a
10 significant number of people. I know you're focused,
11 and correctly so, on the numbers who have been
12 relocated into permanent housing.

13 CHAIRPERSON LEVIN: Right.

14 COMMISSIONER BANKS: But part of the
15 effort has really focused on-- Director Tarlow said,
16 it's been making sure that we can address immediate
17 safety needs as we continue to go forward for longer
18 term solutions.

19 CHAIRPERSON LEVIN: So, of the
20 individuals-- so, going back to the report, it was
21 identified that very high percentage of individuals
22 have PA cases. If they're receiving a shelter
23 allowance, they have a PA case. Is-- under that
24 criteria they're able to qualify for some rental
25 assistance from the City. I think the SEPS program

2 comes to mind as something where they'd, you know,
3 there's an opportunity for enrollment without going
4 into the shelter system, right?

5 COMMISSIONER BANKS: Right, and we
6 provided SEPS rental assistance to the people that--
7 to most of the people that were connected to
8 permanent housing. SEPS is a program available to
9 avert eviction or avert entry into shelter, and we
10 felt that the number of people that were voluntarily
11 relocated from three-quarter house locations
12 certainly fit that criteria, and we provided the
13 assistance to those individuals.

14 CHAIRPERSON LEVIN: So, of the 427, 28,
15 how many SEPS cases are there? How many of those
16 individuals are receiving a SEPS subsidy? And what
17 is the apparatus for HRA to work with those clients?
18 How does the City interface with those clients to
19 make sure that they're taking advantage of that
20 resource?

21 COMMISSIONER BANKS: We have a contract
22 with Samaritan Village to provide relocation services
23 to individuals who have been relocated from three-
24 quarter houses to temporary sites.

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2 CHAIRPERSON LEVIN: So, then Samaritan
3 Village has caseworkers, case managers that are
4 interfacing directly and having a--

5 COMMISSIONER BANKS: [interposing]
6 Correct.

7 CHAIRPERSON LEVIN: case open with each
8 individual and, you know.

9 COMMISSIONER BANKS: Correct. Of the
10 individuals who received assistance from us, 354 of
11 them received SEPS benefits.

12 CHAIRPERSON LEVIN: Sorry, say that once
13 more, 350?

14 COMMISSIONER BANKS: Three hundred and 54
15 received SEPS benefits. Some number received LINC.
16 Some number received supportive housing. Some number
17 ended up in-- are in long-term residential treatment
18 programs, and some are-- and the like, and that all
19 adds up to 393 individuals that have received
20 placements of some sort into permanent housing either
21 once they were relocated from three-quarter houses or
22 from the former Narco Freedom building.

23 CHAIRPERSON LEVIN: And the rate of the
24 SEPS subsidies, how much is the SEPS subsidy?

25

2 COMMISSIONER BANKS: For room rental it's
3 800 dollars, and for an apartment rental it's 213
4 dollars. That's a month, in contrast to the 215
5 dollar public assistance shelter allowance.

6 CHAIRPERSON LEVIN: SO, clearly very
7 effective and very well utilized. Is it-- the SEPS
8 subsidy in any way limited? In other words are there--
9 - is there a cap on the number of subsidies that can
10 go out or is that available to everybody that
11 connects with it through Samaritan Village and
12 through the work of the task force?

13 COMMISSIONER BANKS: We've been using it.
14 We've been making it available to anyone who meets
15 the eligibility criteria. There are eligibility
16 criteria for people who have either been relocated
17 from a three-quarter house voluntarily or who is in--
18 who are in Narco Freedom site. So, those, anyone in
19 those circumstances are eligible for it assuming
20 public assistance eligibility.

21 CHAIRPERSON LEVIN: So clearly effective,
22 and so that-- I would encourage the utilization of
23 that resource as much as possible. Obviously, it's--
24 it fits well with the needs of the population.

2 COMMISSIONER BANKS: Absolutely. Anybody
3 who is in those two circumstances that I described
4 who's a public assistance recipient is highly likely
5 to meet the eligibility criteria.

6 CHAIRPERSON LEVIN: I want to ask about
7 referrals. So, you know, we want to be very careful.
8 Obviously, we want to connect people that are in the
9 system to permanent housing. We don't want anybody
10 to become homeless as a result of city actions if
11 that could be avoided. Ultimately, we do not want to
12 rely on the three-quarter house system. I think we
13 can all agree on that, that it's a bad system,
14 unregulated system. It is ripe with corruption and
15 fraud, and we should not be-- it's a bad thing. It's
16 a bad thing. So we know, we all agree here that
17 it's-- it should not-- we should not be relying on
18 it, and we should be doing whatever we have to do to
19 make sure it's discontinued. I think that that
20 starts with working our sister agencies to ensure
21 that there are not referrals to these three-quarter
22 houses. And so, if you look at-- going back to the
23 POI [sic] report. Everybody, 100 percent were
24 referred from somewhere, right?

25 COMMISSIONER BANKS: Correct.

2 CHAIRPERSON LEVIN: So, 31 percent were
3 referred by substance abuse program. This is self-
4 reporting. Nineteen percent were referred by word-of-
5 mouth. Fourteen were referred by parole. Fourteen
6 percent were referred by a city shelter. I'm hoping
7 that that number has gone down. This was in 2013. I
8 hope it's at zero now.

9 COMMISSIONER BANKS: In fact, it was a
10 rule promulgated, published in the City Record in May
11 2013, that prohibits these kinds of referrals.

12 CHAIRPERSON LEVIN: Ten percent were
13 referred by another three-quarter house. Five
14 percent were referred by the courts. So, aside from
15 the other three-quarter houses and word-of-mouth,
16 every other-- everybody else that responded were
17 referred by some type of either government agency or
18 quasi government agency, or you know, a licensed
19 agency. If it was a substance abuse program, assuming
20 that they were licensed by OASAS. So, I mean,
21 obviously the parole, that is outrageous. The
22 courts, obviously outrageous. Substance abuse
23 programs-- what are we doing to make sure that
24 there's no pipeline for people to go into these
25 programs, that they're-- we have a system in place

2 where they can be diverted, appropriate places for
3 people to live, but how are we interfacing
4 particularly with the state programs, because it's,
5 you know, the-- it's great to be able to do
6 interagency coordination within the City, but how are
7 we interrelating with the state agencies?

8 COMMISSIONER BANKS: Well, let me address
9 the City first. So, as part of the creation of the
10 task force, all city agencies were directed to not
11 make any placements to any of the addresses that we
12 have identified, and in addition we've reached out
13 to the state, and obviously this is an area in which
14 I think is a mutual interest, and we work with our
15 state partners as you know to try to address
16 problems that arise in terms of shelters and so
17 forth. I also want to give you a sense of the
18 concern that we had when we began down this route.
19 For years, as you know, this issue has always been
20 framed as, "Well, but if you take any action, people
21 will end up in the shelter system." And so we knew
22 when we began the task force that this was a concern.
23 It's been a concern for many years, but none the
24 less, the Mayor wanted us to take action. The task
25 force was formed. We began inspections, and we

2 regularly monitor shelter system entry, and we found
3 that 32 people have entered the shelter system from
4 these kinds of locations during the time we've been
5 doing the enforcement. We've reached out to those
6 individuals, offered them the same assistance, and
7 there's only 13 people currently in the shelter
8 system who were in one of these locations. So, this
9 is an important concern for us. It's one of the
10 reasons why when we go to a location we're looking
11 for voluntary relocation to address immediate safety
12 issues with respect to crowding.

13 CHAIRPERSON LEVIN: According to the
14 report from 2013, 72 percent of respondents reported
15 that they were previously incarcerated. Obviously
16 with the number of individuals coming out of the
17 state correction system and the city correction, what
18 can you explain or talk a little bit about the
19 limitations to public housing for individuals with
20 criminal records, and is there an opportunity for New
21 York City to seek a waiver from those HUD rules,
22 because that cuts off a large resource for
23 individuals coming out of the criminal justice
24 system.

2 COMMISSIONER BANKS: Well, I mean, as you
3 know there are federal limitations on occupancy and
4 public housing, but I also want to say that the
5 numbers of people for good reason who are coming out
6 of criminal justice system involvement, correctional
7 facilities, it's good that people are coming back in
8 the community. Those numbers are beyond the kinds of
9 resources that you would be able to address through
10 changes and NYCHA, and we've testified at other
11 hearings about the numbers of people coming out of
12 correctional facilities directly into the Department
13 of Homeless Services shelter system. So, this is a
14 very important area of focus. It's one of the reforms
15 in the 90-day review reforms to work with the state.
16 It's something that we are looking at jointly to try
17 to address, this need for housing for people that are
18 being discharged from state facilities.

19 CHAIRPERSON LEVIN: And then, I'll ask one
20 more question and then I'll turn it over to my
21 colleagues. With regard to the business model, is
22 this-- we've identified the business model between
23 shelter allowance and Medicaid kick-backs. Are there
24 other business models that exist? Because, I mean,
25 as you said, the metric is identified. You know, it's

2 a certain number of locations that meet the HRA
3 metric. Are there any other ways in which these
4 programs exist that are not reliant on shelter
5 allowance or not reliant on this kick-back scheme? It
6 seems like that that's-- it seems like that's a
7 common theme. Are there other ones that you've
8 identified?

9 COMMISSIONER BANKS: I mean, we have seen--
10 - we don't have a way to track it, but we've seen
11 that use of a portion of social security disability
12 payments have been used in some cases, substituted
13 for receipt of public assistance, because that's a
14 metric we can't track.

15 CHAIRPERSON LEVIN: You can't track that?

16 COMMISSIONER BANKS: No, because we don't
17 administer federal disability benefits, so we don't
18 have the ability to track. We looked at food stamps
19 to see whether that would be a viable metric. It
20 turns out not to be. It's way- it's overbroad. We
21 looked at Medicaid; also overbroad. The receipt of
22 the 215 dollars is the one that we have seen within
23 our control that we can look at, but we've certainly
24 heard anecdotal reports of particular operators

2 focusing on people that received federal disability
3 benefits and not cash public assistance from HRA.

4 CHAIRPERSON LEVIN: And are they all
5 using this Medicaid substance abuse program kick-back
6 scheme?

7 COMMISSIONER BANKS: It varies. It
8 varies. I mean, the issues that we've been focusing
9 on is wherever we have the ability to uncover
10 problems, we're pursuing it. So, in some cases
11 that's Medicaid working-- Medicaid fraud issues
12 working with law enrollment with the state and
13 federal agencies that have oversight in addition to
14 our investigative role and other areas. It's focused
15 really the use of the 215 dollar allowance, which
16 gives us the ability to at least track particular
17 locations.

18 CHAIRPERSON LEVIN: I see that it's
19 working with the Office of Medicaid Inspector
20 General, Medicaid Fraud Unit within the AG's Office.

21 COMMISSIONER BANKS: Right. Those are
22 entities that have statutory oversight
23 responsibilities, and our role is typically once
24 those agencies are conducting investigation to be
25 part of the effort, frequently the information comes

2 to them from us because we are constantly reviewing
3 our own data to see patterns of abuse. Sometimes it
4 leads to Medicaid fraud per prosecution against
5 providers unrelated to this topic. So for example,
6 the providers that were offering free sneakers to
7 clients for procedures that weren't needed, we
8 identified that, brought the case to the attention of
9 those law enforcement agencies. Here we're clearly
10 looking to see if there's misuse of Medicaid with
11 respect to substance abuse treatment.

12 CHAIRPERSON LEVIN: And the Office of
13 the-- the State Office of Medicaid Inspector General
14 and the Medicaid Fraud Control Unit-- oh, that's in
15 the AG's Office.

16 COMMISSIONER BANKS: That's in--

17 CHAIRPERSON LEVIN: [interposing] The
18 first one, is that part of State Department of Health
19 or OASAS?

20 COMMISSIONER BANKS: It's a free-
21 standing-- it's a state empowered inspector general.
22 We work very closely with them. It's a state
23 appointment, and I think our work is part of a
24 collaborative effort with them and with the AG's--
25 the Attorney General's Office.

2 CHAIRPERSON LEVIN: How about OASAS, is
3 OASAS-- do you work closely with OASAS's Inspector
4 General? I'm assuming they have an Inspector
5 General.

6 COMMISSIONER BANKS: That's not the
7 entity that's charged with focusing on the Medicaid
8 fraud that we're looking at.

9 CHAIRPERSON LEVIN: But they're the
10 licensing agency, right?

11 COMMISSIONER BANKS: Well, but they're--
12 that would be for problems with licensed programs as
13 opposed to programs that are committing potentially
14 Medicaid fraud under the anti-kick-back statute which
15 is a different investigative approach.

16 CHAIRPERSON LEVIN: It results, though,
17 in them if they're, obviously if they're committing
18 Medicaid kick-back fraud, their license is in
19 imperil. I'm just wondering whether-- when we were
20 looking at the agency in Greenpoint we went to OASAS.
21 We complained to OASAS. We said we suspect that this
22 is happening from one of your licensed providers.
23 I'm just wondering. I mean, they obviously have a
24 comprehensive list of OASAS licensed providers that
25 they should be able-- that's a resource that they

2 should be able to assist with hey, these are guys
3 that we think are no good. We licensed them, but
4 we're keeping an eye on them. You know, it's only a
5 certain number of licensed agencies. There can't be-
6 - it's not unlimited.

7 COMMISSIONER BANKS: OASAS has been a
8 good partner. They're certainly very involved with
9 collaborative efforts of many agencies with respect
10 to the Narco Freedom situation that continues. But
11 again, this is part of a multiagency enforcement
12 effort, and the powers and enforcement authority
13 under the anti-kick-back stature [sic] are an
14 important tool to make use of here that we find it
15 very valuable to partner with the Medicaid Inspector
16 General and with the Attorney General's Unit as well.

17 CHAIRPERSON LEVIN: Okay. Thank you very
18 much, Commissioner.

19 CHAIRPERSON WILLIAMS: Thank you to my
20 co-chair. I just have some brief questions. I'm
21 going to turn it over to my colleagues for their
22 questions, and then I'm going to come back with a
23 whole lot more. Just, I wanted to run through the
24 bills really quick just so I'm clear. On Reso. 235,
25 you support that resolution?

2 COMMISSIONER BANKS: Just want to-- if
3 you bear with me for one moment. Thank you. Again,
4 we're on record as addressing the 215 dollar issue.
5 What we raised in our testimony the fact that since
6 the Reso is introduced as an additional proposal out
7 there, we're reviewing it. I don't know if you're
8 reviewing it and it may have some impact on the
9 resolution.

10 CHAIRPERSON WILLIAMS: And for Intro.
11 1164, it looked like you had some basic support. You
12 just want to look at it some more, is that correct?

13 COMMISSIONER BANKS: Well, 1164, we agree
14 with the intent, but the methodology of providing the
15 information is a paper-based methodology versus the
16 new system was set in place to give people
17 information about whether their rent is paid, and we
18 want to link those up together. So, we do believe
19 that together we can work through the language here,
20 because what you want to accomplish and what we want
21 to accomplish is the same thing. It's the method of
22 accomplishing it we think has changed since the bill
23 was originally introduced. We have changed the
24 technology systems to be able to deliver better
25 information to people than we used to be able to

2 deliver. So we would like to work with you to modify
3 the bill to reflect that change.

4 CHAIRPERSON WILLIAMS: And 1166, you
5 agree with the aim?

6 COMMISSIONER BANKS: Agree with the aim.
7 There are some particular issues with respect to some
8 of the items of reporting. Again, we've worked with
9 you many times in the past on these kinds of things,
10 and I believe that we can work out the language that
11 would address some of our concerns here. Some of it
12 relates to Social Services Law 136, and some of it
13 relates to our ability to collect and provide certain
14 kinds of information, but I think that we could by
15 working with you determine the sort of the
16 functionality of what you're seeking in terms of
17 certain information and perhaps provide it in
18 different ways.

19 CHAIRPERSON WILLIAMS: 1167, you do not
20 support.

21 ANNE-MARIE HENDRICKSON: I'm sorry. Yes,
22 this is Anne-Marie. No, 1167, we do not support.

23 CHAIRPERSON WILLIAMS: And 1168, there is
24 support?

2 ANNE-MARIE HENDRICKSON: 1168, you know,
3 we think is well-intentioned, but we still think
4 there needs to be additional legal review.

5 CHAIRPERSON WILLIAMS: Alright. And 1171,
6 which is the Chair's, I might add, you do not
7 support?

8 ANNE-MARIE HENDRICKSON: 1171, we're not
9 supporting at this time.

10 CHAIRPERSON WILLIAMS: Thank you. I'm
11 going to come back to some of those. I did want to
12 just brief-- my-- one of my first questions. Did the
13 317 that was found in the report, did someone go to
14 each one of those addresses or not, and if not, why
15 not? Why did you--

16 COMMISSIONER BANKS: We did not do that.
17 We again, attacking a 20-year-old problem that's been
18 ignored, we wanted to focus on the locations that we
19 knew that there could be a problem at, and we have
20 been focusing on that. As I said, in response to
21 Chair Levin, we're open to suggestions to look at
22 other locations. Some of those locations we know are
23 not operating anymore, but we're certainly open to
24 suggestions about how to proceed, but we prioritized
25 the locations where we knew there were 10 or more HRA

2 public assistance recipients in residence, and those
3 are the 95 places that we prioritized first.

4 CHAIRPERSON WILLIAMS: So, I just want to
5 drill down a little bit, because if they put out a
6 report and they said that these addresses might be,
7 was there an preliminary research, or do you just you
8 get so many things from advocates you don't which is
9 true? Like, what was the reason in three years?

10 COMMISSIONER BANKS: It's really what
11 you're describing, these are locations-- it's a very
12 reputable report. Again, we meet with a group. I
13 don't mean to be critical at all of the great work
14 that they did, but it's reflective of a situation in
15 2013. We know that operators opened places, closed
16 places, opened places. So we said to ourselves if
17 we're going to put these kind of resources on a
18 problem that hasn't been looked at in 20 years,
19 what's the best way to do it first? Which is to
20 focus on the locations where we know that we've got
21 current HRA public assistance recipients in residence
22 and we've got the Narco Freedom locations that were
23 part of the problem as well. Again, we take input.
24 We're open to looking at other locations.

2 CHAIRPERSON WILLIAMS: Alright. And so I
3 know hindsight is easier. It just seems to me-- I
4 understand it's a 20-year-old problem, but I think
5 the report they said is three years old. After the
6 95, it just seems to me that you might send someone
7 to look at the other ones to see if they even exist.

8 COMMISSIONER BANKS: Again, we're going
9 to keep-- we'll keep looking at these, but let me
10 just say, the focus on the needs of the people that
11 we found in the first 95--

12 CHAIRPERSON WILLIAMS: [interposing] Yeah.

13 COMMISSIONER BANKS: it's not a process in
14 which you go visit and that's the end of the process.

15 CHAIRPERSON WILLIAMS: No, I agree. I
16 understand that. I just-- your testimony talked
17 about how difficult it is to identify these. So, if
18 someone took the time to try and identify them, you
19 might want to just follow up to see, even if
20 preliminarily to see if it-- if we don't have the
21 resources to follow through with the other 95, at
22 least we can then confirm that they're here since we
23 have so much difficulty figuring it out ourselves.

24 COMMISSIONER BANKS: Right. But again,
25 we're open to suggestions. I just want to highlight

2 that we prioritize the places where we knew we had
3 current clients in.

4 CHAIRPERSON WILLIAMS: I got you.

5 COMMISSIONER BANKS: And we'll keep
6 looking at this to continue to look for other ways,
7 including a look at that list.

8 CHAIRPERSON WILLIAMS: I think we've
9 gotten each other's point, hopefully.

10 COMMISSIONER BANKS: Absolutely.

11 CHAIRPERSON WILLIAMS: Thank you. I'm
12 going to--

13 COMMISSIONER BANKS: [interposing] We've
14 known each other a long time. I got your point. I
15 know you got mine.

16 CHAIRPERSON WILLIAMS: Thank you. I'm
17 going to call on Council Member Richards and then
18 Torres. Each Council Member will have five minutes.

19 COUNCIL MEMBER RICHARDS: Thank you, and
20 I want to thank the Chairs for their leadership, in
21 particular, and really moving this issue, and to all
22 the advocates and the New York Times for their story
23 and highlighting this. Just a few questions, three
24 questions. So where would you say majority of these
25 locations are actually concentrated at?

2 COMMISSIONER BANKS: Brooklyn.

3 COUNCIL MEMBER RICHARDS: Brooklyn?

4 COMMISSIONER BANKS: Particularly,
5 Central Brooklyn.

6 COUNCIL MEMBER RICHARDS: Say it again,
7 which part of Brooklyn?

8 COMMISSIONER BANKS: Particularly, Central
9 Brooklyn.

10 COUNCIL MEMBER RICHARDS: Oh, Central
11 Brooklyn, okay. And can you just go through sort of
12 the inspection process a little bit? So, does
13 someone call 311 and then you find out about the
14 location? How do you find these locations in
15 particular, and if you can just go through the
16 process that your agency and the other agencies and
17 the task force went through?

18 COMMISSIONER BANKS: So, the first step is
19 that we regularly run a metric at HRA about where
20 there are ten or more unrelated adults receiving the
21 state-set 215 dollar allowance. We found that to be
22 a proxy of these kinds of locations. We also, just
23 to continue that work stream, we also if there are
24 311 complaints about a location or information
25 provided to us by the advocacy groups, again, we

2 really value the partnership with them. And then
3 the process is the-- there's an inspection date set
4 for the multi-agencies' effort. This is operations,
5 HRA, Department of Buildings, Housing Preservation
6 Development, Fire Department, and--

7 COUNCIL MEMBER RICHARDS: [interposing] So
8 you all go out there in one wing or do--

9 COMMISSIONER BANKS: [interposing] Yep.
10 Yep.

11 COUNCIL MEMBER RICHARDS: So, you were
12 coordinated.

13 COMMISSIONER BANKS: Yeah.

14 COUNCIL MEMBER RICHARDS: Okay.

15 COMMISSIONER BANKS: And all of the
16 agencies are looking at this situation to determine
17 what needs to be done. In some situations the
18 determination was made that an emergency repair needs
19 to be made, and rather than wait for it to be made,
20 it was made, removing bars from a window or, you
21 know, things of that nature. In other instances
22 there were concerns about fire safety. So fire
23 watches were put in place. And where there's a
24 determination made that there's too much crowding by
25 the multiple agencies, HRA was involved, has been

2 involved, in seeking volunteers to relocate, and then
3 those individuals are relocated to a temporary site,
4 and they're connected to Samaritan Village which has
5 a contract to provide rehousing services to help move
6 people.

7 COUNCIL MEMBER RICHARDS: And out of all
8 of the violations, the different violations, so fire,
9 obviously, how many of the violations were actually
10 building violations? I'm not sure if you can answer
11 that.

12 COMMISSIONER BANKS: Let me look. There
13 are building-- there are violations across the--

14 COUNCIL MEMBER RICHARDS: [interposing]
15 Board.

16 COMMISSIONER BANKS: across the board,
17 and we'd be happy to provide more--

18 COUNCIL MEMBER RICHARDS: [interposing]
19 Yeah, if you can just--

20 COMMISSIONER BANKS: granular information
21 to you.

22 COUNCIL MEMBER RICHARDS: give us
23 somewhat of a better breakdown to the Chairs of--

24 COMMISSIONER BANKS: [interposing] Sure,
25 happy to do that.

2 COUNCIL MEMBER RICHARDS: which agencies.
3 And then, just getting to my bill 1166. So, I know
4 there's concerns about personal addresses and that
5 sort of information. I'll just recommend, and I
6 don't know if you want to state anything on the
7 record-- so we passed something called the Sandy
8 Tracker Bill, where we had similar concerns around
9 privacy, in particular, and I think what we decided
10 on was breaking down in particular across zip codes,
11 City Council District, Community Boards. So, would
12 that be something you're open to so that, you know,
13 we're not breaking, you know, personal--

14 COMMISSIONER BANKS: [interposing] I mean,
15 I have to see exactly what was done there, but I want
16 to reiterate, we believe that we can have a bill that
17 we're going to support and that you're going to want.
18 We think that the information that you're seeking in
19 general is meaningful. We want to be transparent
20 about it. We've been reporting on a lot it already,
21 and the direction of the legislation to have us
22 report to the Council, but also put on a website is
23 something we're comfortable doing, and again, I think
24 that between your staff and our staff we're going to
25 get there for a meaningful tracking.

2 COUNCIL MEMBER RICHARDS: Alright, great.
3 Well, thank you. Thank you for your hard work and
4 for all the work you're doing. I don't think anybody
5 envies you in the City, but my commitment is we will
6 stand with you when you're doing the right thing.

7 COMMISSIONER BANKS: Thank you.

8 COUNCIL MEMBER RICHARDS: And you'll see
9 a lot more of that publicly as we move forward. So,
10 thank you for your work.

11 COMMISSIONER BANKS: Greatly appreciate
12 that. Thank you.

13 CHAIRPERSON WILLIAMS: Council Member
14 Torres?

15 COUNCIL MEMBER TORRES: Thank you, Mr.
16 Chairman. I have a question for HPD. I just want to
17 address one of the comments that you made in your
18 testimony. To quote you, "The Department opposes
19 this legislation because we believe that as our rule
20 indicated that 90 days is a reasonable period of time
21 for residents impacted by a vacate order to apply for
22 services. The concern I have about that comment is
23 that it seems to ignore the reality of the three-
24 quarter housing. Meaning, I guess I think it's fair
25 to say that a 90-day timeline does not necessarily

2 mean that a tenant of three-quarter housing would
3 have 90 days to apply for relocation services,
4 because a landlord could immediately re-rent
5 apartment that have been emptied by a vacate order.

6 ANNE-MARIE HENDRICKSON: I mean, just to
7 be clear, Council Member, the 90 days that we're
8 speaking about really only relates to, again, vacate
9 orders with HPD. It doesn't relate to three-quarter
10 houses because in three-quarter houses we're not
11 doing vacate. We're asking people to voluntarily
12 relocate. So, it's a little different, okay? The 90
13 days that we're speaking about here is from the date
14 a vacate order is issued, we're just merely saying
15 that people have to make a decision about whether
16 they need to come into HPD for services. They are--
17 they can stay off site with friends and family which
18 is what we encourage because we have limited space,
19 but we still provide them will all of the relocation
20 and rehousing services that someone coming into HPD
21 shelter--

22 COUNCIL MEMBER TORRES: [interposing]
23 There's never been a vacate order for three-quarter
24 housing?

25 COMMISSIONER BANKS: There--

2 ANNE-MARIE HENDRICKSON: [interposing]

3 Very few.

4 COMMISSIONER BANKS: There are vacates in
5 two instances and partial vacates in five of the
6 locations.

7 COUNCIL MEMBER TORRES: Okay. And if the
8 operators of those properties were to re-rent those
9 apartments, how can you guarantee that the tenants of
10 three-quarter housing would have 90 days to in fact
11 apply for relocation services? Because you could
12 have a property that does that have the vacate order,
13 but is nevertheless being rented to tenants of three-
14 quarter housing.

15 ANNE-MARIE HENDRICKSON: That is true.

16 COUNCIL MEMBER TORRES: Like I just feel
17 like this rule change which is logical on paper did
18 not have three-quarter housing in mind, and the
19 moving target of three-quarter housing and how often
20 it can be re-rented after a vacate order.

21 ANNE-MARIE HENDRICKSON: That is true. I
22 mean, we--

23 COUNCIL MEMBER TORRES: [interposing]

24 That's the intent of the legislation.

2 ANNE-MARIE HENDRICKSON: Oh, okay, is to--
3 okay.

4 COUNCIL MEMBER TORRES: Is to address
5 that.

6 ANNE-MARIE HENDRICKSON: We'll take
7 another look at that, because again, when we made
8 this rule change this was back in 2015. You know,
9 this was really before the advent of the task
10 forcing, kind of it gearing up. So, we'll have to
11 take another look at that.

12 COUNCIL MEMBER TORRES: I'm just curious
13 because you did emphasize that there was a process of
14 careful consideration that went into the rule change.
15 Were there any advocates that were in favor of the
16 rule change, or?

17 ANNE-MARIE HENDRICKSON: Yes, there were.
18 There were a number of people that supported it.
19 Actually, if I remember, recall correctly, Council
20 Member Chin had actually--

21 COUNCIL MEMBER TORRES: [interposing]
22 Advocates--

23 ANNE-MARIE HENDRICKSON: [interposing] Oh,
24 no, advocates--

2 COUNCIL MEMBER TORRES: not elected
3 officials.

4 ANNE-MARIE HENDRICKSON: Advocates spoke
5 about it. We spoke with Legal Services, with you
6 know, with a number of them, and I think what we did--
7 - we originally had 30 days, okay, that you had to
8 make a decision. And after speaking with advocates,
9 we all kind of agreed at the end of the day, and
10 maybe we didn't fully agree, but we thought that 90
11 days was more reasonable. It gave people an
12 opportunity to kind of have some thought, decide if
13 they had somewhere to go, and we thought 90 days was
14 sufficient time in which people could make a decision
15 to come in for HPD for services.

16 COUNCIL MEMBER TORRES: Were there any
17 advocates who expressed concerns about the unintended
18 consequences that the rule change could have for
19 tenants of three-quarter housing?

20 ANNE-MARIE HENDRICKSON: There were
21 advocates that, you know, that definitely disagreed
22 and thought it should be open-ended, should be
23 longer. So we had to kind of make--

24

25

2 COUNCIL MEMBER TORRES: [interposing] But
3 was three-quarter housing ever part of the
4 consideration of the rule change?

5 ANNE-MARIE HENDRICKSON: To be frank, I'm
6 not-- I don't really recall three-quarter houses
7 being the thrux [sic] of the issue at the time. it ws
8 more about HPD put out new rules, and we wanted to
9 look at all of the different criteria that we were
10 using, and we, you know, made that decision that, you
11 know, sometimes there are vacate orders that sit out
12 there open-ended for years, and people come back to
13 us two years later with a vacate and expect us to
14 have services. So, we really felt that 90 days was
15 sufficient time in which, you know, we do a lot of
16 notification to people about a vacate. They know
17 about our services. You know, again, we think that
18 that's enough opportunity for them to decide when
19 they come in.

20 COUNCIL MEMBER TORRES: Regarding Intro
21 1168, I mean, I suspect HPD agrees that-- the City
22 agrees that no one should be coerced into medical
23 treatment as a condition for housing. Is that--
24 would that be a fair description of the City's
25 position?

2 ANNE-MARIE HENDRICKSON: Well, I would
3 say, again, that Intro 1168 is well-intentioned. You
4 know, we probably agree with that, that no one should
5 be coerced, okay, into, you know, having occupancy
6 conditioned upon medical.

7 COUNCIL MEMBER TORRES: So why not codify
8 that principle into law?

9 ANNE-MARIE HENDRICKSON: Well, I think
10 what we wanted to do right now was take a further look
11 at how that overlapped with state and federal laws to
12 make sure there were no conflicts or issues, and we'd
13 come back and revisit it at that time.

14 COUNCIL MEMBER TORRES: Thank you so
15 much, Mr. Chairman.

16 CHAIRPERSON WILLIAMS: Thank you. We've
17 also been joined by Council Member Mendez, Rodriguez
18 and Rosenthal. Just to get back to some of my
19 questions. Of the 361 tenants that were relocated,
20 you said 103 were connected to permanent housing.
21 Where were the rest relocated?

22 COMMISSIONER BANKS: Let me get back.
23 Let me get back to those numbers for you.

24 CHAIRPERSON WILLIAMS: Okay.
25

2 COMMISSIONER BANKS: So, there were 428
3 people relocated into the temporary relocation sites,
4 139 of those individuals have been connected to
5 permanent housing through SEPS and the other programs
6 that I described for Chair Levin. The remainder are
7 still in the temporary relocation sites or have made
8 some other arrangements, but they-- that's that
9 subset. The other group of people that received
10 permanent housing assistance are people that were in
11 the former Narco sites. That's 254 of those
12 individuals have received SEPS or some other form of
13 rental assistance to obtain permanent housing. So,
14 between the Narco sites and those who are relocated,
15 393 individuals have gotten to permanent housing.

16 CHAIRPERSON WILLIAMS: How many were
17 relocated to a shelter?

18 COMMISSIONER BANKS: None, but the caveat
19 on that, I said to you-- I think it was an answer to
20 your question or Chair Levin's question that we have--
21 - we regularly run a review to see if people from
22 these addresses are showing up at the shelter system.
23 Thirty-two did, and currently 13 are there. We
24 reached out to the people that we found to offer them
25 assistance to move out. We were concerned when we

2 went into these locations that we would work to seek
3 voluntary relocations and then potentially the
4 landlords may require other people to leave, and
5 that's why we regularly run a metrics to see if we
6 have people ending up from these addresses in DHS
7 shelter.

8 CHAIRPERSON WILLIAMS: How much is it--
9 how much is SEPS for family for a year?

10 COMMISSIONER BANKS: These are-- again,
11 individual SEPS is for individuals. So, it's the
12 month rent for a room is 800 dollars. The monthly
13 rent for an apartment is 213 dollars.

14 CHAIRPERSON WILLIAMS: For an apartment is
15 how much?

16 COMMISSIONER BANKS: 213 dollars. It's
17 essentially the HUD Section 8 level, 213 dollars.
18 I'm sorry, 1,213.

19 CHAIRPERSON WILLIAMS: Okay.

20 COMMISSIONER BANKS: That would have been
21 lower than.

22 CHAIRPERSON WILLIAMS: Yeah, I just--

23 COMMISSIONER BANKS: [interposing] That
24 would have been lower than what I was complaining
25

2 about earlier. Thank you for your cueing me with
3 your quizzical look. I appreciate it.

4 CHAIRPERSON WILLIAMS: So, 1,213 dollars.
5 So, roughly-- 12 times 12 is-- it's 144,000, is that
6 right? Did I do that math right?

7 COMMISSIONER BANKS: I'm sorry, you're
8 asking me--

9 CHAIRPERSON WILLIAMS: 14,000 for the
10 year, correct?

11 COMMISSIONER BANKS: Correct.

12 CHAIRPERSON WILLIAMS: And that's-- where
13 does that money come from?

14 COMMISSIONER BANKS: That's City tax levy
15 dollars. It's in the insurance budget.

16 CHAIRPERSON WILLIAMS: City?

17 COMMISSIONER BANKS: Yes, it's City tax
18 levy. The SEPS program is a 100 percent City tax
19 levy program. It's in the HRA budget.

20 CHAIRPERSON WILLIAMS: Because you said
21 it's 41,000 to put a family in a shelter for a year,
22 but it's 14,000 for this program?

23 COMMISSIONER BANKS: Right. That was in
24 reference to why we think it makes sense as part of
25 our overall homelessness prevention strategy to pay

2 rent arears for people because we're comparing, you
3 know, 3,600 dollars in rent arears against 41,000
4 dollars in shelter.

5 CHAIRPERSON WILLIAMS: So, how do we
6 change that in the budget?

7 COMMISSIONER BANKS: Well this is--

8 CHAIRPERSON WILLIAMS: [interposing] How
9 do we move that money from going into shelter into
10 these rental assistance programs?

11 COMMISSIONER BANKS: I mean, there's
12 substantial funding in the budget for rental
13 assistance, but I just want to caution us about doing
14 that. We have a legal obligation to provide shelter
15 in New York City, and if all of the money is moved
16 from shelter elsewhere and somebody came at midnight
17 seeking shelter and we're unable to provide them with
18 shelter, we'd be violating a court order.

19 CHAIRPERSON WILLIAMS: I don't know about
20 all-- I don't know about all. So how much money do
21 we have in the budget for homeless shelters?

22 COMMISSIONER BANKS: Let me-- there's a
23 couple questions I can see coming. One is how much
24 do we have in the budget for SEPS? How much do we
25 have in the budget for--

2 CHAIRPERSON WILLIAMS: [interposing]

3 Yeah.

4 COMMISSIONER BANKS: We'll get you all
5 that information.

6 CHAIRPERSON WILLIAMS: Okay.

7 COMMISSIONER BANKS: I don't want to-- I
8 could round off and give you general numbers.

9 CHAIRPERSON WILLIAMS: Sure.

10 COMMISSIONER BANKS: Let's give you the
11 specific numbers.

12 CHAIRPERSON WILLIAMS: I just would bet
13 that we're spending a whole lot more on shelter than
14 we are on some of these.

15 COMMISSIONER BANKS: Well, that would be
16 because of I think the phenomenon you touched on when
17 you asked me the question, "Where's the money coming
18 from?" SEPS is 100 percent City funded. The funding
19 for shelter for families, for example, is federal,
20 state and city-funded. The Section 8, as we know, is
21 not an entitlement program. It's capped, and the
22 funding that we get from the federal government for
23 housing is limited. We do see a difference in what
24 happened when the federal government committed
25 additional Section 8 certificates to help us address

2 chronic veterans' homelessness. We were able to
3 actually end it and be certified by HUD for doing so,
4 because we got a combination of federal and local
5 resources for permanent housing as opposed to
6 shelter. So, the problem that we face every night
7 when we manage our systems is that the funding
8 streams for permanent housing that you can see in our
9 budget in prior testimony are now largely city tax
10 levy funding streams as opposed to if we were having
11 this hearing a couple of decades ago before the
12 three-quarter house problem began, the funding
13 streams for permanent housing in New York City would
14 largely be federal funding streams.

15 CHAIRPERSON WILLIAMS: Now, my hope, I
16 think it would be fantastic if we could shut down
17 three-quarter housing. I think what my colleague was
18 trying to say, in absence of being able to do that,
19 we obviously have to make it as good as possible, and
20 we would have to shut it down with an alternative for
21 folks to go. I was just wondering if maybe during the
22 referral process, if the City or city agencies refer,
23 perhaps they can do some follow up to make sure that
24 the housing they're referring to is of any kind of

2 standard for human habitation. Are any follow-ups
3 done?

4 COMMISSIONER BANKS: Well, the-- once we
5 created the taskforce, the addresses that we're
6 looking at, the city agencies have been informed,
7 instructed not to make referrals to those locations.

8 CHAIRPERSON WILLIAMS: Are we making
9 referrals to any of the three-quarter houses that
10 we're not following up to see the living conditions
11 are good?

12 COMMISSIONER BANKS: Again, we provided
13 the addresses to prevent referrals to the locations
14 that we are inspecting. As, I think, your colleagues
15 and Chair Levin said, there are other entities
16 outside of the City control that do make referrals.
17 We thought that it was important to take a leadership
18 role and direct other city agencies not to make
19 referrals, and so we've done that.

20 CHAIRPERSON WILLIAMS: So, city agencies
21 are not making any referrals?

22 COMMISSIONER BANKS: To the addresses
23 that we have identified as three-quarter houses.

2 CHAIRPERSON WILLIAMS: But we may be
3 making referrals to ones that we haven't followed up
4 on?

5 COMMISSIONER BANKS: Again, we're running
6 all of this against-- I don't want to plow old
7 territory, but we're running all this against a
8 metric that we can be certain that this is the
9 location. We will continue our work, and as we add
10 more addresses, that will add more knowledge for
11 what's the location that's appropriate or
12 inappropriate.

13 CHAIRPERSON WILLIAMS: Following your
14 logic, the City may be making referrals to locations
15 they don't know exist.

16 COMMISSIONER BANKS: Well, the referrals
17 that are made by HRA and the Department of Homeless
18 Services for clients that participate in a rental
19 assistance programs, those referrals are made either
20 as a result of an inspection process or by working
21 with trusted community based organizations, for
22 example in the FEPS or City FEPS program, and
23 Samaritan Village, and the FEPS and the SEPS program.
24 So, the referrals that we're making for the payment
25 of rental assistance have eyes on the situation,

2 either directly by the City or by trusted not for
3 profits.

4 CHAIRPERSON WILLIAMS: Do they exist
5 within a universe of 95, or there's some outside of
6 that universe of 95?

7 COMMISSIONER BANKS: This is for all of
8 our rental assistance programs, whether it's SEPS,
9 FEPS, LINC. They either have city eye on the
10 apartment or unit or a not-for-profit eye on the
11 apartment or unit.

12 CHAIRPERSON WILLIAMS: So, I would say I
13 believe based on what I'm hearing there may be some
14 that are outside the 95 that we're not doing, that we
15 may be still referring to. I would just like to
16 ensure that if we're making referrals that we're
17 doing some kind of follow up with the person that
18 we're referring to or the place that they're going to
19 to make sure the living conditions are the way it's
20 supposed to be. That's all I'll say on it.

21 COMMISSIONER BANKS: And I think-- I
22 agree with your point, and I want to give you some
23 reassurance--

24 CHAIRPERSON WILLIAMS: [interposing] Okay.
25

2 COMMISSIONER BANKS: that the use of
3 rental assistance has that follow-up. Again, there
4 are many entities outside of the City that make--

5 CHAIRPERSON WILLIAMS: [interposing] Sure.

6 COMMISSIONER BANKS: such referrals, and
7 that's the challenge here. We've been able to
8 eliminate our referrals, set up systems to try to
9 find places that are inappropriate, but again, we're
10 a year into addressing a 20-year-old problem.

11 CHAIRPERSON WILLIAMS: And I also-- there
12 is also the challenge of I want us to make sure that
13 the living conditions are what they are supposed to
14 be without causing those people to not have housing.
15 So, I understand the challenges well, but we have to--
16 - we got a find a way to meet the challenge.

17 COMMISSIONER BANKS: No, I appreciate
18 that, and that was again the-- there's a lot of
19 trepidation I know when we announced we were creating
20 a task force and we were going to inspect locations.
21 There were a lot of concerns that residents would be
22 displaced from a shut-it-down approach, and we've
23 tried to take a measured approach to address
24 immediate safety issues and at the same time relocate
25 people voluntarily without displacing hundreds of

2 people who want to remain in the community and don't
3 want to be in shelter.

4 CHAIRPERSON WILLIAMS: Based on advocacy
5 from the Council in 2010, the Department of Homeless
6 Services adopted a regulation prohibiting referral of
7 clients in buildings with vacate orders and with
8 recorded violations typical of three-quarter houses.
9 It has been reported that many individuals are
10 referred to-- I think I just asked this. Wait. So,
11 this is a good follow-up. Have you had conversations
12 with the state about their referral process?

13 COMMISSIONER BANKS: When we announced the
14 task force, we advised the state what steps we were
15 taking, and we certainly continue to work with them
16 to address any issues with their referrals. Again,
17 there are many, many agencies that make referrals to
18 all kind of housing, and we're focused on what we can
19 control.

20 CHAIRPERSON WILLIAMS: So, do we know--
21 do we have knowledge of who they're referring to or
22 not referring to? Have they responded to what you
23 said you were doing?

24 COMMISSIONER BANKS: Again, I think given
25 all the complexities at city/state relations, we're

2 going to keep our efforts working with them to try to
3 address this problem.

4 CHAIRPERSON WILLIAMS: So, again, the
5 problems between the Governor and our Mayor are again
6 affecting real people in New York City. So, I just
7 want to make sure I'm putting-- you don't say
8 anything. I'm putting that on the record.

9 COMMISSIONER BANKS: I didn't say that. I
10 didn't suggest that. I don't want to imply that.

11 CHAIRPERSON WILLIAMS: Not at all. I am
12 saying that, though, and it's very frustrating
13 because--

14 COMMISSIONER BANKS: [interposing] I--

15 CHAIRPERSON WILLIAMS: it's a juvenile
16 feud, and that juvenile feud is affecting real people
17 in the City of New York. That's coming from me.

18 COMMISSIONER BANKS: Okay, well, I want
19 to-- I want to address that, because notwithstanding
20 all of the public focus on that issue, there is a
21 constructive working relationship that we have with
22 state agencies. We work with them every day to try
23 to address problems.

24 CHAIRPERSON WILLIAMS: Sure.
25

2 COMMISSIONER BANKS: And we're going to
3 continue that work. I hear what you're saying.

4 CHAIRPERSON WILLIAMS: Sure.

5 COMMISSIONER BANKS: But I just wanted to
6 make clear what I'm saying, which is--

7 CHAIRPERSON WILLIAMS: [interposing] Yes,
8 and I believe that.

9 COMMISSIONER BANKS: that we do, we do
10 have a constructive working relationship with--

11 CHAIRPERSON WILLIAMS: [interposing] I
12 believe that in order for the state to run there has
13 to be some constructive relationships, but I think
14 even with those constructive relationships, there's
15 foolishness going on that is affecting real people in
16 New York City. But thank you for your comment. It
17 appears likely that many individuals living,
18 individuals residing in three-quarter houses would be
19 appropriate as supportive housing tenants. When do
20 you expect the first scatter site units to come
21 online?

22 COMMISSIONER BANKS: There's a-- we
23 issued the RFP. We've gotten proposals back for the
24 first 500 units, and we're-- based upon what we're
25 seeing from the proposals, we expect to be on course

2 to move forward with them during the course of this
3 fiscal year.

4 CHAIRPERSON WILLIAMS: Obviously, speaking
5 of which, both conversations we just had, we're still
6 waiting on our great Governor and our state
7 legislature to figure out what they're going to do
8 with some money that we're owed for some of these
9 types of housing. So, that can go to both of those
10 conversations. Some questions on the bills: For
11 Intro. 1164, you spoke about through AccessNYC. I
12 wanted to know how many clients take advantage of
13 this percentage-wise. This could only reach clients
14 savvy enough to know how to use the system correctly
15 and not really get to the least vulnerable.

16 COMMISSIONER BANKS: Right. We-- one of
17 the things that we wanted to do--

18 CHAIRPERSON WILLIAMS: [interposing] Most
19 vulnerable.

20 COMMISSIONER BANKS: was to provide
21 information about whether the person's rent was paid
22 so that you'd be able to have documentation of that,
23 and that system is something we've just literally
24 rolled out. And so we think it's important for
25 years, obviously, for example, it's been a challenge

2 for people to get budget letters, and we provided a
3 functionality for people to be able to do that. So,
4 we want to be able to make sure that people who can
5 get the help can get it through that system, and so
6 therefore we think it's important to not create a
7 paper based system where we're essentially creating
8 an online system in the same way that you and I do a
9 lot of our business online. This is a system to do
10 that. So, someone can provide information about
11 changes that are needed in their case. Someone can
12 see whether or not the rent has been paid, and that's
13 the moment where we think it's helpful to remind
14 people that if they're in residence for 30 days that
15 they can't be evicted without court process. For
16 Intro. 1168, do you know what recourse is currently
17 available to tenants if landlords are requiring
18 tenants to obtain medical treatment or to obtain
19 substance abuse treatment programs? Are they just--
20 do they know they have the right to complain? Who
21 are they complaining to? What recourse do they have?

22 COMMISSIONER BANKS: I mean, I think the
23 bulk of the focus there has been on trying to stop
24 the practice, period, and that's the law enforcement
25 activity that HRA has been involved with the Medicaid

2 Inspector General and with the Attorney General's
3 Office. I think the concern about the bill is just
4 to make sure that there aren't any unintended federal
5 or state law consequences here. Again, I think that
6 it's a good conversation to have between our offices
7 and your office about how to address that, which is
8 really what our position on this bill is.

9 CHAIRPERSON WILLIAMS: For 1166, one of
10 the concerns you have, although you did say you agree
11 with the aim, one of the concerns was you can
12 identify building violations in accordance with New
13 York Social Service Law 136, but I think the BIS, the
14 BIS, includes violations and this type of
15 information. Wouldn't that conflict with what you're
16 saying?

17 COMMISSIONER BANKS: Well, but now we're
18 putting it up on the HRA website and identifying
19 where HRA clients reside--

20 CHAIRPERSON WILLIAMS: [interposing] I'm
21 sorry, say that again.

22 COMMISSIONER BANKS: The thing that we
23 want to do and that you want us to do is to post this
24 up on the HRA website, which would be identifying
25 where HRA clients live. Again, I think, as I

2 testified a little earlier to Councilman Richards'
3 question, I think that there's a surmountable way to
4 do what you want and what we want, and which is to
5 transparently put up information about the work of
6 the task force, and I think the staff to staff we can
7 come up with some resolutions here.

8 CHAIRPERSON WILLIAMS: I think as it
9 pertained primarily 1167 and 1171, HPD has a
10 redevelopment preservation project that helps owners
11 of distressed buildings obtain financing, sometimes
12 subsidies, to preserve affordable housing. Is HPD
13 willing to look at some of the three-quarter housing
14 buildings for eligibility for these types of
15 projects?

16 ANNE-MARIE HENDRICKSON: Well, the
17 buildings that we typically, you know, identify that
18 are distressed that come into HPD's programs are
19 typically through third-party transfer program, which
20 is an interim process. I don't believe three-
21 quarter-- I'm not quite sure that three-quarter
22 houses fall into that, but you know, as Commissioner
23 Banks has said, we're looking at there's other ways
24 to make sure those are safe, you know, and that
25 people can stay into them to the extent they can, but

2 we have not really evaluated any of those for any
3 sort of affordable housing programs at this time.

4 CHAIRPERSON WILLIAMS: So, I-- were you
5 saying you are or not willing to look at three-
6 quarter houses?

7 ANNE-MARIE HENDRICKSON: I was saying
8 that, you know, to date that has not really been our
9 focus to look at them to figure out if they can go
10 into affordable housing programs. We've been more
11 focused on, you know, trying to ensure that the
12 residents are safe and that they can stay to the
13 extent they want to stay, but that has not been our
14 focus right now in looking at them for affordable
15 housing programs.

16 CHAIRPERSON WILLIAMS: So, the question is
17 would you be willing to consider?

18 ANNE-MARIE HENDRICKSON: We're always
19 willing to look at properties for affordable housing
20 program, and you know, affordable housing is our
21 mission. So, I'm not going to say we're opposed to
22 it. This is something we haven't started to do yet.

23 CHAIRPERSON WILLIAMS: So, as of today,
24 can you look at it and let us know if it's something
25 that you'd be willing to look at?

2 ANNE-MARIE HENDRICKSON: We'll follow up
3 on that.

4 CHAIRPERSON WILLIAMS: Thank you.
5 Appreciate it. Is HPD aware of instances where
6 landlords have continued to house people in buildings
7 with extent vacate orders?

8 ANNE-MARIE HENDRICKSON: So, we just
9 spoke a little bit about, you know, some of those
10 three-quarters that had been vacated, and again, that
11 was only in the most egregious cases, and we will
12 follow up to ensure that they cannot reoccupy them if
13 there's an HPD vacate on them.

14 CHAIRPERSON WILLIAMS: Do you know, have
15 you had any instances where people did reoccupy?

16 ANNE-MARIE HENDRICKSON: I'm not sure,
17 Council Member. I would have to follow up on that.
18 Again, I believe these were recent vacates that were
19 issued, and again, only in very extenuating
20 circumstances. So, we would have to just double-
21 check, but again, if it's an HPD vacate, we would
22 definitely be keeping our eye on them that people
23 cannot reoccupy them.

24 CHAIRPERSON WILLIAMS: Okay. And lastly,
25 we're going to go one of the Chair's bills that you

2 politely said you do not agree with. So, I think one
3 of the main thoughts [sic] had to do with the
4 flexibility of your checklist that is already in
5 place. Couldn't you have something in there that
6 suggested including but not limited to so that we can
7 include some additional things that folks may have in
8 three-quarter homes while still providing you the
9 flexibility?

10 ANNE-MARIE HENDRICKSON: Well, again, you
11 know, the ability and the idea for us to retain
12 flexibility, you know, is key. You know, for
13 example, with the New York City ID that was recently
14 introduced, we now use that as a form of
15 identification.

16 CHAIRPERSON WILLIAMS: Say that again?

17 ANNE-MARIE HENDRICKSON: I said-- I was
18 just saying that we want to maintain flexibility, and
19 we don't really think it needs to be legislated. We
20 think that we have an administrative process. We
21 continue to expand on our new checklist as new forms
22 of identification come about. I was mentioning New
23 York City ID. That's a recent introduction that we
24 now take from residents as a form of identification.
25 So, again, we just like-- we just think that it's

2 more important to keep the flexibility. Amend the
3 checklist as new things, new technology comes about.
4 We don't think it needs to be legislated in that way,
5 and it still maintains-- I think we're still
6 achieving the same goal by having the checklist and
7 not having it necessarily codified into law.

8 CHAIRPERSON WILLIAMS: So, you don't
9 think we should help you adjust as time goes forward
10 to what the lists are.

11 ANNE-MARIE HENDRICKSON: Well, I would
12 look for you for help for other reasons, but that's
13 something that we don't think we need help on. We
14 take your comments/suggestions on how we can add to
15 our checklist. Again, we have an open dialogue with
16 you all the time.

17 CHAIRPERSON WILLIAMS: And we absolutely
18 appreciate your feedback, and thankfully we still
19 retain the power to codify it if we do feel we need
20 to even with the great suggestions you've added. But
21 I do want to ask if you've made any adjustments to
22 the checklist based on what the three-quarter housing
23 tenants are dealing with.

24 ANNE-MARIE HENDRICKSON: Again, the
25 vacate orders for the three-quarter housing are very

2 recent, and I would have to really do some follow-up
3 to see what type of documentation they were able to
4 provide or not able to provide, and we would
5 definitely take into account based on their
6 circumstances if that checklist needed to be amended
7 to make sure that it covered them as well.

8 CHAIRPERSON WILLIAMS: Okay. I'm going
9 to pass it off to my Co-Chair.

10 COUNCIL MEMBER LEVIN: Thank you very
11 much, Mr. Chair. So, I want to go back to a question
12 around referrals. State Department of Parole, do
13 they do currently referrals to three-quarter houses?

14 COMMISSIONER BANKS: We haven't seen that
15 kind of volume that it historically occurred in the
16 locations we've looked at, but this is certainly
17 something that we want to work with the state on.

18 CHAIRPERSON LEVIN: Do we have a sense
19 that, I mean, has there been conversations between
20 the City and the Department of Parole to say, "Hey,
21 guys, don't do that."

22 COMMISSIONER BANKS: I mean, we're
23 clearly-- there was clearly when we announced the
24 task force we communicated the state that we would
25 appreciate their doing the same thing we've done

2 which is to eliminate referrals from city agencies.

3 I know that there are fewer referrals overall and

4 honestly, the end result as you see as we've

5 testified at other hearings, more people coming

6 directly to the Department of Homeless Services.

7 CHAIRPERSON LEVIN: Do we have-- is that

8 something that we're able to gauge the size of the

9 pipeline? Like, how many? Whether that's decreasing

10 or not?

11 COMMISSIONER BANKS: Yeah, I-- well, as

12 to the Department of Homeless Services or as to the--

13 CHAIRPERSON LEVIN: [interposing] No, to

14 three-quarter houses.

15 COMMISSIONER BANKS: Again, we're looking

16 at the universe that we're able to identify.

17 CHAIRPERSON LEVIN: Right.

18 COMMISSIONER BANKS: And there I think

19 there's a decreased pipeline. There aren't referrals

20 to Narco Freedom, for example, because they-- they

21 don't exist. That was a big source. I testified at

22 one of the earlier hearings that we did see an

23 approximate 800 person increase in the numbers of

24 people discharged from correctional facilities to

25 Department of Homeless Services going in parallel

2 with the increased enforcement and focus with that
3 and three-quarter houses.

4 CHAIRPERSON LEVIN: Is the task force or
5 Samaritan Village collecting information from those
6 individuals that they're working with to find out
7 from them where they were getting referred from, what
8 their background is? You know, what were the factors
9 that led them to end up where they ended up?

10 COMMISSIONER BANKS: I mean, we can focus
11 on that, but remember the timing of when we focused
12 on their relocation was at the very beginning of this
13 effort. There have been some relocation since, but
14 our effort initially was to go out to the sites and
15 address crowding, and so if you're asking is the
16 situation today in terms of where people came from
17 the same as it was a year ago I would say no, but we
18 can certainly look back and see what data Samaritan
19 has in terms of that.

20 CHAIRPERSON LEVIN: I mean, are they-- is
21 there a pro-- is there an interview process that
22 they're doing that's coming from HRA that says, okay,
23 this is what we would need to know?

2 COMMISSIONER BANKS: Again, Samaritan
3 Village, longstanding professional organization. We
4 want them to do assessments of people's needs.

5 CHAIRPERSON LEVIN: Right.

6 COMMISSIONER BANKS: And we want them to
7 connect people to housing.

8 CHAIRPERSON LEVIN: Top priority.

9 COMMISSIONER BANKS: Those are our top
10 priorities. So, the questions of where you've been--

11 CHAIRPERSON LEVIN: [interposing] Yeah.

12 COMMISSIONER BANKS: and how you got
13 there are relevant to some degree. So, the kinds of
14 questions you're asking me are in the, you know, sort
15 of in the progression of the kinds of things that
16 they're going to be asking for, but we'll go back and
17 take a look and see if there's any kind of pattern or
18 anything that might be helpful in terms of what
19 you're asking me about.

20 CHAIRPERSON LEVIN: Right. I mean, the
21 reason that I ask is that that POI report from 2013,
22 you know, they went and, you know, they were doing
23 their anecdotal interviews with residents and they
24 were able to. So, you know, so their-- their survey
25 is giving us a snapshot of where people are coming

2 from, and I think it's obviously-- if there are-- if
3 there's still how every many percentage of people
4 that are being referred by the Department of
5 Corrections, that's something we'd need to know,
6 right? I mean, if 14 percent were still being
7 referred to by parole, obviously we need to know
8 that.

9 COMMISSIONER BANKS: Right. We'll focus
10 on what information's available and follow up with
11 you, but again, this is over the course of a year, so
12 there are differences that are going to occur between
13 the beginning of the task force process and where we
14 are now in terms of where people are being referred
15 from.

16 CHAIRPERSON LEVIN: With those buildings
17 and inspections that the task force has been doing,
18 do we have a breakdown in terms of where, which
19 boroughs and what types of violations of the
20 violations that have been issued?

21 COMMISSIONER BANKS: I mean, the
22 majority, you know, the Central Brooklyn is sort of
23 the community where most of these houses are located.
24 In terms of the breakdown, different violations as I
25 said to Council Member Richards, let me-- it involves

2 multiple agencies. Let me follow up. We'll follow
3 up with you and get you that information.

4 CHAIRPERSON LEVIN: In terms of
5 supportive housing, you mentioned that of the 428,
6 300 some odd were receiving SEPS vouchers. I'm
7 assuming the number of supportive housing units is
8 relatively small. Is there a process? Is there a
9 timeline in which you believe scatter site supportive
10 housing units will be starting to come online in
11 greater numbers, and is there a process by which
12 these individuals will be able, you know-- are they--
13 is Samaritan Village tasked with taking them through
14 the supportive housing process as well?

15 COMMISSIONER BANKS: I mean, as you know,
16 supportive housing is a choice for people to avail
17 themselves of. Six of the 393 people that have
18 gotten permanent housing through this process are in
19 supportive housing. I think I'm mindful of
20 overcommitting the same 500 scatter sites units at so
21 many different hearings, because everybody's focused
22 on we need these scatter site units for a lot of
23 different things. Primarily, we're focusing on mental
24 health and substance use challenges, and Michael
25 [sic] population, and so forth, people that are the

2 most vulnerable. We had a terrific task force of
3 experts that helped us with input in terms of moving
4 forward with supportive housing, but I think your
5 question really highlights the fact that all of the
6 reports have indicated that there's a gap in the need
7 for supportive housing, and it's a reason why the
8 Mayor committed an unprecedented funding stream for
9 15,000 units in New York City, and the first 500 of
10 those scatter site are going to start to become
11 available to us over the course of this year, fiscal
12 year.

13 CHAIRPERSON LEVIN: Just budgetarily
14 [sic], there's-- in FY16 HRA allocated 7.9 million,
15 and in FY17, 4.5 million dollars to these efforts. I
16 believe that the new need, I'm sorry, was-- the new
17 need was to hire 20 additional staff members to
18 monitor three-quarter houses. Has that been-- have
19 all of those staff members been hired? And has all
20 the--

21 COMMISSIONER BANKS: [interposing] I think
22 we--

23 CHAIRPERSON LEVIN: Has all the funding
24 been drawn down?
25

2 COMMISSIONER BANKS: Right. We need to,
3 I think, go through with you staff to staff on the
4 hiring, because some of those people were relating--
5 that staffing level focused on homelessness
6 prevention activities in general, including three-
7 quarter houses. The dollars that you're looking at,
8 the differences between one year and the next reflect
9 the resources that we expended to avoid the
10 precipitous closure of the Narco Freedom houses. As
11 you recall, after the court, Federal Court
12 enforcement proceeding was concluded, there was the
13 danger that all of the buildings would simply because
14 closed up, and we committed dollars in our budget to
15 address a transition to avoid that from happening.
16 So, the dollars that you're reflecting as you come
17 into the current fiscal year reflects dollars for
18 rental payments, reflects dollars for services,
19 reflects dollars for staffing, and the decrease
20 reflects the difference between Narco Freedom needs
21 and other needs going forward.

22 CHAIRPERSON LEVIN: So, the new need was
23 not for 20 additional staff just to monitor three-
24 quarter houses?

2 COMMISSIONER BANKS: I'm going to get back
3 to you on the specifics. I'm not sure exactly what
4 you're looking at, whether you're looking at across
5 all agencies or you're only looking at HRA itself,
6 because the effort at HRA, the people that are
7 working at three-quarter houses is a part of our
8 overall Homelessness Prevention Administration, and
9 there's a range of things that that staffing is
10 doing, and I want to make sure we're talking about
11 apples to apples, but we can work with you separately
12 on that.

13 CHAIRPERSON LEVIN: Okay, so at the
14 moment you don't have-- there aren't any dedicated
15 staff members that are just exclusively dedicated to
16 monitoring three-quarter houses?

17 COMMISSIONER BANKS: There are three
18 staff members at HRA that are very focused on the
19 relocation issues supervising the contract. We have
20 Samaritan Village dealing with overseeing the other
21 contracts with services in the temporary sites.
22 Remember, services are being provided not directly by
23 us, but by contractors. So, we're overseeing those
24 services, but I want to again be careful about what
25 number you're looking at, whether it's our overall

2 homelessness prevention efforts at HRA of which these
3 individuals are a part of, or whether you're looking
4 at the overall citywide efforts.

5 CHAIRPERSON LEVIN: I'll follow up with
6 the Finance Division.

7 COMMISSIONER BANKS: Okay.

8 CHAIRPERSON LEVIN: I believe that they're
9 identified as new needs in the FY 17 budget.

10 COMMISSIONER BANKS: Which if it's within
11 HRA, then it's a broader need than simply three-
12 quarter houses.

13 CHAIRPERSON LEVIN: Okay. And you
14 mentioned AccessNYC as a resource for individuals to
15 use. Do we have a sense of whether individuals in
16 three-quarter houses have used that or whether they
17 have internet access to be able to do that, whether
18 it's a resource that they're being able to avail
19 themselves of?

20 COMMISSIONER BANKS: Right, I mean, the
21 changes that we've made in the provision of public
22 assistance are ongoing. As you know, we're moving to
23 a system that avoids people having to come into our
24 centers, and they can do transactions and find out
25 information online, and that's the world we've moving

2 to, and these are all new innovations. The ability
3 to, you know, recertify and file food stamp
4 applications online are part of the reforms that you
5 begin to see some of the efforts reflected in
6 caseloads. And so being able to give people, for
7 example, the ability to get a budget letter online
8 without having to come to our center is part of
9 changing our whole delivery system. So we want to be
10 careful as we move forward providing new information
11 that we're providing information with the technology
12 tools that we're encouraging people to use, rather
13 than simply assume that everything is operating on
14 paper still.

15 CHAIRPERSON LEVIN: Okay. I mean, do we
16 have a sense of whether they're--

17 COMMISSIONER BANKS: [interposing] We
18 just-- we just implemented this. This is something
19 that, as you know, is part of the HRA reforms.
20 People have been saying for years, "Boy, I'd like to
21 know is my rent really paid. Who was it paid to?"
22 And we just created a way to do that. So, this would
23 be part of that--

2 CHAIRPERSON LEVIN: [interposing]

3 Samaritan Village communicating with the clients that
4 this is an option for them?

5 COMMISSIONER BANKS: I want to-- you're
6 very focused on three-quarter houses here. We're
7 actually focused a little bit more broadly in illegal
8 evictions, and so we want to have a system that works
9 across the system. Now, for individuals in three-
10 quarter houses, when we go to three-quarter houses we
11 actually do have a paper handout that we hand out
12 that says the following: Three-quarter houses
13 residents, know your right. Mayor de Blasio is
14 committed to making sure three-quarter houses are
15 safe for all residents. And that is why people from
16 the city agencies are inspecting three-quarter
17 houses. The City's goal is to improve conditions,
18 not put people on the street. Your landlord should
19 not use this as an excuse to try to evict you. If
20 your landlord tries to evict you, you should know the
21 following: if you lived in the house for 30 days or
22 more, the landlord has to take you to court to evict
23 you. It is illegal for a three-quarter house to try
24 to evict you by changing or removing the locks to
25 remove any entrance door, discarding your

2 possessions, using or threatening violence, cutting
3 off heat, hot water or electricity. How to protect
4 yourself against an illegal eviction: keep proof
5 with you at all times that you have lived at the
6 house for 30 days. Tell the landlord that you will
7 not leave without a court order. Call the police if
8 the house tries to force you to leave. Tell the
9 police you are being evicted in violation of unlawful
10 eviction law. Go to Housing Court and bring an
11 illegal eviction case. Then the addresses for each
12 of the Housing Courts are given. If you need
13 assistance with unlawful evictions, you can find an
14 attorney or other representative to assist you in
15 resolving the matter. Contact your local Bar
16 Association or legal services organization to seek
17 legal representation. Then, examples include MFY
18 legal Services with the phone number, Urban Justice
19 Center with a phone number, the Legal Aid Society
20 with a phone number, Legal Services NYC with a phone
21 number. So, in connection to the straight issue with
22 respect to three-quarter houses as part of the
23 inspection we've been using this document, but we're
24 looking at more broadly informed need to make sure
25 people are aware of the Locka Low [sic] respect to

2 the unlawful evictions, which is why we're proposing
3 it delivered in a way that all public assistance
4 recipients could see it.

5 CHAIRPERSON LEVIN: So, that leads to my
6 next question, which is that residents that are--
7 that are direct-- that are even without a lease,
8 directly the tenants of the building owner, are they
9 in a different legal status than if Narco Freedom
10 were to have the triple net lease or however that
11 arrangement is with the building owner, and then the
12 tenants rent from them? I mean, how does-- how-- in
13 terms of tenants' legal status, do they have-- is
14 there a difference in the way that it's being done,
15 and is there a difference in practice? Are some one
16 way and some the other way?

17 COMMISSIONER BANKS: You know, it's
18 interesting to be a Commissioner and not be the head
19 of the Legal Aid Society, nobody asks me for my legal
20 opinions anymore.

21 CHAIRPERSON LEVIN: I'm-- that's what I'm
22 doing.

23 COMMISSIONER BANKS: And I've learned
24 since I've been commissioner that I have great legal
25 staff that represents us, and I think you're asking

2 actually a very complicated legal question that
3 requires more than a Commissioner's answer.

4 CHAIRPERSON LEVIN: Are we seeing
5 providers or landlords trying to get around their
6 tenants having legal status by coming up with, you
7 know, different frameworks to different macerations
8 [sic] to be able to get around this? Are we-- is
9 that something that you're confronting, that we're
10 confronting as a city that some of these providers
11 and the owners and the-- you have some of these
12 treatment program providers are working to try to get
13 around that system?

14 COMMISSIONER BANKS: You mean the OASAS
15 licensed facilities?

16 CHAIRPERSON LEVIN: Right, right.

17 COMMISSIONER BANKS: Well, you know,
18 disagreements about what the process is for
19 termination of somebody in the state subsidies
20 program, these are issues that have been around for
21 many years, and I know that, you know, I'd want to
22 defer to the state's view of the kind of program
23 they're operating. I know that there are matters in
24 court over these issues, and I think that, you know,
25 the state has a perspective on the kind of program it

2 runs, and they would be in a better position than me
3 to comment on what they think the proper procedures
4 are for termination of someone from their program.

5 CHAIRPERSON LEVIN: I think that's pretty
6 much it for my questions. I want to thank you all
7 very much for your testimony and for answering the
8 questions. I also want to acknowledge specifically
9 from MFY Legal Services Tanya Kessler [sp?] who's
10 here who represented tenants at that location in
11 Greenpoint for a number of years, and it's really
12 very much on the front lines of this issue.

13 COMMISSIONER BANKS: Tanya Kessler's
14 among those people that have been focused on this
15 issue for many years when it wasn't getting so much
16 focus. And as I've said, we've done a lot in the
17 last year. A lot more needs to be done, but we're
18 working against the history of 20 years in which
19 Tanya Kessler was one of the voices during many of
20 those 20 years.

21 CHAIRPERSON LEVIN: Thank you.

22 CHAIRPERSON WILLIAMS: Thank you very
23 much for your testimony. We probably should have
24 called attendance first, and I didn't. So, I know we
25 made a request. I'm going to ask that-- I'm going to

2 change it a little bit. If you can at least leave
3 someone from each of your perspective Departments
4 that would be good. So if there someone here who can
5 stay from HPD? If you cannot-- yes?

6 ANNE-MARIE HENDRICKSON: Let me check.
7 If not, I'll stay.

8 CHAIRPERSON WILLIAMS: And someone from--

9 COMMISSIONER BANKS: [interposing] Someone
10 from HRA, yes.

11 CHAIRPERSON WILLIAMS: And someone from
12 the Mayor's Office? Okay. Thank you so much, and
13 thank you for your testimony. Alright, we have three
14 panels. We want to remind anybody if they want to
15 testify, they have to sign up with the Sergeant at
16 Arms. We're going to give three minutes for each
17 person's testimony. First will be Amy Blumsack from
18 Neighbors Together, Anthony Coleman, TOP
19 Organizations, Paulette Soltani, and Felix Plaza
20 [sic] Hernandez from Vocal, and Corey Bates from TOP.
21 Can each of you please raise your right hand? Do you
22 affirm to tell the truth, the whole truth and nothing
23 but the truth in your testimony before this committee
24 and to respond honestly to Council Member questions?
25 You each have three minutes. You can give the

2 testimony in the order of your preference. Sorry,
3 and what's the next panel? And for the next panel to
4 please get prepared-- hold on one second. The next
5 panel will be Giselle Routhier and Joshua Goldfein,
6 Coalition for the Homeless and Legal Aid Society.
7 Alison Wilkey from John Jay, Enrique Rojas, the
8 Women's Prison Association, and Susan Gottfield
9 [sp?], if she's still here from the Osborne
10 Association will be on deck for the next panel.
11 Sorry, you can begin in the order you prefer. You can
12 begin.

13 COREY BATES: Good afternoon, everyone.
14 My name is Corey Bates and I'm a leader at the Three-
15 Quarter-House Tenant Organizing Project. Basically
16 TOP is just a tenant's union made up of current and
17 former three-quarter houses tenants building a
18 movement fair and just treatment of tenants. On
19 behalf of TOP, I just want to thank our General
20 Welfare Committee Charles Stefan [sp?], I'm sorry,
21 Chairman Stephen Levin, the Housing Committee Chair
22 Jumaane Williams and the other members of the
23 committee for the opportunity today to provide
24 testimony. Basically in fear that I might go over
25 the time limit, being that I'm going to talk about my

2 personal experience, I'm just going to read verbatim
3 so I can basically highlight the pertinent
4 information and laws that we want introduced. I
5 lived in three-quarter house in East New York section
6 of Brooklyn. If you are familiar with three-quarter
7 houses, they are private home operated by landlords
8 who are profiting off of poor people in need of
9 housing. Landlords cram four to eight adults in these
10 rooms. Physical conditions are very awful, and
11 tenants face abuse and harassment from the housing
12 staff. Our mass incarceration and drug war have been
13 the founding blocks of the three-quarter house
14 industry. In my house, almost everyone had been
15 touched by the justice system or harmed by bad drug
16 policies that targeted communities of color. Tenants
17 in three-quarter houses face a total imbalance of
18 power in the face of their landlords or house
19 managers. We arrive there often with nowhere else to
20 go. Our landlords led us to believe that we signed
21 away our rights when we signed program agreements.
22 The landlords often required tenants to attend
23 specific substance abuse treatment program or a
24 doctor in order to keep their bed. Every time a
25 tenant attends a program, the operator receives a

2 kick-back from the treatment program from the
3 Medicaid reimbursement. This is the system of
4 Medicaid fraud that keeps landlords and drug
5 treatment providers rich. When [sic] tenants are no
6 longer profitable enough for landlords, tenants get
7 illegally evicted or become homeless. From October
8 2014 through July 2015 I was a tenant in a three-
9 quarter house ran by Yury Baublitt who is one of the
10 most well-known and exploitive three-quarter houses
11 operators. You may have read about his predatory
12 practices in New York Times. As soon as I moved to
13 Yury's house, I was told I would have to attend a
14 treatment if I wanted to keep my bed, even though
15 I've never had a problem with drugs or alcohol in my
16 entire life. Every day Yury would come to the house
17 early in the morning to wake tenants up to ensure
18 that they would go to the outpatient program and
19 bring back their slip which indicates that they
20 basically were there. If we missed a day because we
21 were sick or had a-- I mean, I'm sorry, because we
22 were sick or had a job interview, we were forced to
23 attend make-up sessions on the weekends. Having to
24 attend programs four to five days per week made it
25 impossible to hold a fulltime job or even to work

2 overnight being that he would come every morning
3 between hours of 6:30 and 6:40. I saw many of my
4 house mates be thrown out in the street with no
5 notice of missing days-- for missing days at the
6 outpatient treatment program. Even when my house
7 mates attended regularly and did everything Yury
8 asked, once they ran through their billable Medicaid
9 treatment, they were discharged. Basically, another
10 way of saying illegally evicted. As soon as the old
11 tenant was out on the street, Yury would bring
12 someone new whose Medicaid was basically accessible.
13 Yury even encouraged his tenants to relapse in order
14 to keep the Medicaid money flowing.

15 CHAIRPERSON WILLIAMS: Can you give a
16 closing statement, closing sentence?

17 COREY BATES: Basically, these kinds of
18 abuses are the exact reason why City Council must
19 pass the 1168 this year which would make it illegal
20 for landlords to determine where tenants receive
21 medical services. Thank you very much.

22 CHAIRPERSON WILLIAMS: Thank you.
23 Whichever person would like to?

24 ANTHONY COLEMAN: Good afternoon. My
25 name is Anthony Coleman. I'm a leader with the

2 Three-quarter House Tenant Organization Project known
3 as TOP, and also a three-quarter house tenant. I am
4 here today to ask City Council to pass the bill
5 package to help three-quarter house tenants. I
6 myself ended up in a three-quarter house because I
7 need roof over my head and couldn't afford the rising
8 cost on a fixed income. At my three-quarter house
9 there were 25 grown men packed into a house, crammed
10 into rooms with bunk beds. The house itself was in
11 terrible physical condition, and it is infested with
12 vermin like roaches, bed bugs and rats. Abuse from
13 the house operator and house manager was a regular
14 occurrence. If we tried to stand up for our rights
15 to make complaint to 311 about lack of heat or hot
16 water, we were threatened with illegal eviction. We
17 are required to attend an outpatient treatment
18 program where the house operator those so they could
19 get money in his pocket every time we swiped our
20 Medicaid card. If tenants missed days at programs,
21 they were finished they were treatment, they were
22 discharged, which actually the same thing as illegal
23 eviction. The house pretended like it was a licensed
24 treatment program purposely fooling [sic] tenants,
25 police and others all so they could make money off

2 the living inside. I learned about the rights and how
3 they were being abused after I came to the first TOP
4 meeting, and now I organize it with TOP so that
5 others don't have to go through the same thing I went
6 through. I'm thankful the task force came to my
7 three-quarter house and I was able to be relocated.
8 Since being relocated by the task force, I no longer
9 worry about bed bugs, roaches or lack of heat or hot
10 water. I no longer have to worry about my belongings
11 being stolen. I no longer have to worry if I or
12 someone else in my house is going to be thrown out on
13 the street with no notice. I have security and peace
14 of mind today. Intro 1166 is an important bill to
15 pass because it would help give greater transparency
16 about the important work that the taskforce is doing
17 by requiring quarterly reporting to the City Council.
18 This information would help track the size of the
19 problem and help the City continue create tailored,
20 accurate solutions. Intro 1168 is important too. It
21 helps protect the tenants from landlords like mine
22 who illegal force tenants to attend outpatient
23 programs and just they can get Medicaid kickbacks.
24 It would be-- it would give tenants a tool to fight
25 back against the abuse that house mates and I went

2 through by giving us ability to bring harassment
3 cases in Housing Court if we're forced to attend
4 specific outpatient programs.

5 CHAIRPERSON WILLIAMS: If you can give a
6 closing sentence?

7 ANTHONY COLEMAN: Yes, I'm right there.
8 Please pass the bill soon as possible. Hundreds of
9 three-quarter house tenants are dependent on it.
10 Thank you very much.

11 PAULETTE SOLTANI: Hi, everyone. My name
12 is Paulette Soltani, and I'm an organizer with Vocal
13 New York. I'm formerly with MFY Legal Services, and
14 I've been organizing with the Three-quarter House
15 Project for over two years now. I'm here on behalf
16 of Felix Hernandez Plaza who was not able to attend
17 and give his testimony himself, but I worked closely
18 with him in the last year or so when he came to us in
19 need of services from MFY, but I'll get to that in
20 just a moment. Felix lived in his three-quarter
21 house in Brooklyn for about five months. The house
22 was in terrible shape like many other three-quarter
23 houses. Tenants who lived there with him had been
24 referred there from detox hospitals, parole. They
25 were mandated to attend a drug treatment program five

2 days a week. Felix is an artist, and he was hoping
3 to take classes during that time and was not able to
4 do so because he could not do so with the schedule.
5 And then, late in September he was accused of using
6 drugs inside of his house, and he was illegally
7 evicted. He lost all stability in a moment's notice.
8 He was put out on the street and stayed in the street
9 for several days while it was raining. He lost most
10 of his most important possessions during that time,
11 and it wasn't until a friend of his put him in touch
12 with Legal Services that he was able to advocate for
13 himself and get back in. So, when I spoke to Felix a
14 little bit about these bills in the last few months,
15 one of the most important bills for him was the bill
16 about-- that would give people information about what
17 their rights are living in three-quarter houses
18 because most three-quarter house tenants, as he said
19 himself, wouldn't-- would be able to seek services
20 much sooner if they actually knew what their rights
21 are from the beginning. The other bill that's
22 particularly important to him is the one relating to
23 forced treatment. Felix did not have a choice in the
24 treatment that he wanted to take. He would have
25 wanted to do many other things in the year that he

2 stayed at this house while he was mandated to go to
3 treatment, but he wasn't able to. So, both of those
4 bills are particularly important to Felix, and he
5 wanted me to highlight them today. Thank you.

6 AMY BLUMSACK: Hi, everyone. Good
7 afternoon. My name's Amy Blumsack. I'm a community
8 organizer at Neighbors Together, which is a
9 community-based organization and soup kitchen located
10 in Central Brooklyn. My job there is to organize our
11 members and part of my work has been with the three-
12 quarter house tenant organizing projects. So I've
13 organized with three-quarter house tenants for almost
14 six years now. I'm here today in support of the
15 entire bill package that we are discussing, and I
16 hope that the City Council will pass all of the bills
17 on the table as soon as possible. They would give
18 critical services, access and tools for tenants to
19 fight back against abusive landlords. So, I
20 encourage the passage of these bills immediately. As
21 you know and as you've heard, three-quarter houses
22 hold themselves out like programs. Tenants are
23 promised a slew of services and the sort of help that
24 they need to get back on their feet, and then when
25 they move in, the reality is something totally

2 different. Tenants are usually horrified. So, one of
3 the most stark examples of this that I can think of
4 from my six years of experience is that in the winter
5 of 2014, Yury Baublitz, who we've heard a lot about
6 so far, he had a series of houses on New Lots [sic]
7 Avenue in East New York, and one week before
8 Christmas, approximately 100 tenants were locked out
9 of their homes permanently because he had been
10 pocketing their rent money and not paying the person
11 that he was leasing the buildings from. He had also
12 been getting Medicaid kick-backs from the drug
13 treatment programs that he was mandating that those
14 approximately 100 tenants went to. It was a freezing
15 cold winter, and I remember being out there every day
16 working with tenants trying to get them legal
17 services, trying to help them fight back against
18 being suddenly locked out and homeless with no
19 notice. Right? So, Yury is just one example of the
20 kind of three-quarter house operators that are out
21 there. He's one name. there are many, many others
22 like him who prey on people in vulnerable situations,
23 and that's why we need to pass Intro 1168 because it
24 would really help unravel the monetary incentive for
25 landlords to mandate that three-quarter house tenants

2 go to outpatient treatment programs. So much of the
3 abuse that we see in three-quarter houses is about
4 getting tenants to programs so that operators can get
5 that illegal kick-back money. So, if we pass Intro
6 1168, I think it will really help tenants to not only
7 not be abused in those same ways, but additionally
8 this bill is important because it will allow tenants
9 to proactively bring harassment cases against their
10 three-quarter house operator in Housing Court. Right
11 now, as it stands, as you've probably heard,
12 people/tenants have to wait 'til they're actually
13 illegally evicted in order to bring a case in Housing
14 Court, and that's crazy. We need a tool for tenants
15 to use before they're homeless, especially given the
16 current state of homelessness in the City. We need a
17 tool that's going to also help prevent homelessness
18 as much as possible. So, I encourage the Council to
19 pass this bill. I just wanted to com-- oh, quickly,
20 I want to say that tenants don't have access to
21 online services as much as you would think. They
22 have government issued phones. So, I think anything
23 we can do to get them "Know Your Rights" info on
24 paper is extremely helpful, and 90 days is not enough
25 for relocation services. Tenants don't know. There

2 have been a number of vacate orders on three-quarter
3 houses in the years that I've been working before the
4 task force came into being, and people just don't
5 know. So, we really need that to be repealed, and
6 which we can do through the passage of 1167. And
7 then last I just want to say that 1166, the task
8 force has been an incredible resource for us, and I
9 think that having greater transparency about the good
10 work that they're doing and also greater transparency
11 about the scope of their problem will help create
12 good targeted solutions for three-quarter house
13 tenants. Thank you.

14 CHAIRPERSON WILLIAMS: Thank you so much
15 for all of your testimony. Thank you for those that
16 shared your personal testimony. A lot of times it's
17 hard to remember that there are real faces and real
18 people behind the stories and the numbers. So we
19 appreciate the bravery of you coming out to share
20 that and being a part of the solution and empowering
21 some of the folks. And I know your stories and the
22 fact that you're coming out and actually organizing
23 can help bring some pride and some feelings of power
24 to other tenants that are there. I just wanted to
25 make sure that there were people left from all the

2 agencies. So, if someone's here from HPD, and if
3 someone is here-- oh, I didn't see you. Sorry, I
4 didn't see you. I was looking around. And someone's
5 here from HRA, and someone's here from the Mayor's
6 Office? Got it. Thank you. Was there anything else
7 that anyone wanted to add to respond to any of the
8 things that were heard in the testimony from the
9 Administration? Sure.

10 AMY BLUMSACK: I also just wanted to say
11 in terms of the "Know Your Rights" information, it's
12 actually from where I sit and the job that I do
13 incredible that people can access their budget
14 letters online now and rent receipts. However,
15 usually by the time someone needs the "Know Your
16 Rights" information, they're already in crisis,
17 right? It means they've been illegally evicted and
18 they're trying to get back into their house. So, I
19 think that to give people that information at the
20 outset before they even get to wherever they're
21 moving into, usually a three-quarter house or
22 whatever type of housing situation they're going
23 into, to arm them with their tenancy rights info from
24 the beginning so that they already know going in that
25 30 days, once they've lived there for 30 days or

2 more, they have to be taken to housing court. That
3 would be incredibly important. When someone is in
4 crisis, it's really hard to be able to be organized
5 enough to access all of those different things, and
6 to get to the service provider and get the thing
7 printed out. Let's give it to them up front so we can
8 be proactive about the problem.

9 CHAIRPERSON WILLIAMS: Thank you, and I
10 know my Co-Chair has some questions.

11 CHAIRPERSON LEVIN: Thank you very much,
12 Mr. Chair. Specifically, to Mr. Bates and Mr.
13 Coleman, and I want to thank you both for testifying
14 and giving your personal stories. It's very
15 important that the public hears your story, and that
16 the Administration and the Council hears your stories
17 as well. I wanted to ask if it's not too personal,
18 how were you referred to the three-quarter houses
19 that you were living in.

20 ANTHONY COLEMAN: I was referred through
21 the shelter system where I was at in Ward's [sic]
22 Island.

23 CHAIRPERSON LEVIN: And what year was
24 that?

2 ANTHONY COLEMAN: It was about 11 years
3 ago.

4 CHAIRPERSON LEVIN: Thank you.

5 COREY BATES: I was referred through a
6 friend.

7 CHAIRPERSON LEVIN: Through a friend. Do
8 you remember when that-- when was that?

9 COREY BATES: This was the beginning of
10 October 2014.

11 CHAIRPERSON LEVIN: Okay. And also I
12 want to thank both of you for-- and this entire
13 panel-- for doing the organizing that is so essential
14 to making sure that people know their rights and that
15 they know that what's going on is not okay, and that
16 they-- and they know what's happening elsewhere in
17 the City. So, very much appreciate you doing that
18 work on the ground. Thank you very much.

19 CHAIRPERSON WILLIAMS: Thank you very
20 much for your testimony. Next Giselle Routhier. Is
21 Giselle here? Giselle Routhier? Okay. And Joshua
22 Goldfein, Alison Wilkey, Enrique Rojas, Susan
23 Gottfield [sp?]- I think Susan left. She submitted
24 testimony for the record. So I have Giselle
25 Routhier, Joshua Goldfein, Alison Wilkey, Enrique

2 Rojas. And next and final panel after this one will
3 be Constance Lesold, Wendy O'Shields, and Brenda
4 Riley. So, please stand ready to come on after this
5 panel. And if anyone wishes to testify, we still
6 have time. You can go to Sergeant at Arms and fill
7 out a form. Can you please raise your right hand?
8 Do you affirm to tell the truth, the whole truth and
9 nothing but the truth in your testimony before this
10 committee and to respond honestly to Council Member
11 questions? Everyone has three minutes, and you can
12 begin at the order of your preference.

13 GISELLE ROUTHIER: Thank you so much for
14 having us, Council Members. My name is Giselle
15 Routhier. I'm the Policy Director at the Coalition
16 for the Homeless. We've submitted joint testimony
17 with Legal Aid, and I'm just going to summarize our
18 testimony here briefly. Overall, Coalition and Legal
19 Aid, we support this package of bills as a step
20 forward in curbing the abuses of unscrupulous three-
21 quarter house operators and helping existing tenants
22 assert their rights and access more stable housing
23 resources. This comes in the context of we're in the
24 midst of the worst homelessness crisis since the
25 Great Depression. In August, an all-time record

2 61,464 men, women and children slept in shelters
3 every night. This is just an astounding number, and
4 homelessness among single adults has doubled since
5 the great recession with over 14,000 single men and
6 women now sleeping in New York City shelters each
7 night. The problem with three-quarter houses goes
8 back at least over a decade and has exacerbated
9 homelessness and housing instability among the most
10 vulnerable individuals. Under the previous mayoral
11 administration, direct referrals of homeless
12 individuals to three-quarter houses posed an ongoing
13 problem for many, many years with the safety and
14 stability of those individuals at risk. Individuals
15 placed in three-quarter houses often cycled in and
16 out of the shelter system and received little to no
17 support in reporting illegal conditions or asserting
18 tenancy rights. After years of advocacy by the
19 Coalition for the Homeless, the Legal Aid Society and
20 definitely with the City Council in 2010, the
21 Department of Homeless Services began the process of
22 promulgating a rule that prohibited the referral of
23 single adults to illegal three-quarter houses.
24 However, they still receive referrals and placements
25 from other sources including jails and prisons,

2 institutional care facilities, drug treatment
3 programs, and many residents of three-quarter houses
4 still struggle with homelessness and criminal justice
5 involvement. So, we urge the City and the Council to
6 work together to curb referrals from other sources as
7 well along that model, but overall again, I just want
8 to reiterate that we support this package of bills,
9 and thank you for the opportunity to testify.

10 JOSHUA GOLDFEIN: Thank you. I'm Joshua
11 Goldfein from the Legal Aid Society. I just want to
12 add that, you know, we recognize that for our clients
13 who choose to live in three-quarter houses, it's a
14 resource. It is an available resource in an
15 incredibly tight housing market, and the fact that
16 people end up living in these places doesn't mean
17 that they made a-- they made a choice that was a real
18 choice for them. People are stuck in these places
19 that are incredibly dangerous, and we hear from
20 people who say, "Well, coming out of being
21 incarcerated or being released from an institutional
22 treatment facility, you know, I need places to go."
23 But, you know, to be-- when the only option is to
24 live in a dangerous place as they see it where their
25 life is at risk every night because there's not an

2 effective way to escape in the event of a fire, for
3 instance. That's not a real choice, and what we need
4 is for the government to provide them with real
5 choices with safe and affordable places to live. On
6 the other side, we see-- you know, we heard today
7 from HPD some resistance to making the process to get
8 relocation services easier for residents of three-
9 quarter houses, and while we see and hear commitments
10 from the top of the agency about making the process
11 open to people, we continue to hear from clients who
12 have problems because they seek services and are
13 denied them by HPD because HPD wants to see things
14 like a written lease. They want, they have an
15 expectation that a person coming to seek help will
16 present themselves like a typical lease holder or
17 homeowner when residents of three-quarter houses who
18 are entitled to the same protection of the law are
19 going to be unable to produce the same level of
20 documentation of their circumstances. So, for those
21 reasons we support all of these bills, and hope that
22 they'll be passed. Thank you.

23 ALISON WILKEY: Good afternoon, Council
24 Members. My name's Alison Wilkey, and I'm the Policy
25 Director at the Prisoner Re-entry Institute at John

2 Jay College of Criminal Justice. I'm happy to be
3 here. PRI has a multifaceted, multiyear focus on
4 housing for individuals with criminal records. Our
5 work focuses on reducing the barriers to housing and
6 helping people obtain and maintain stable housing and
7 quality housing. The proliferation of three-quarter
8 houses is a symptom of the failure of other housing
9 systems and supports, and these failures push
10 formerly incarcerated individuals into unsafe,
11 unstable and illegal housing options. There's been a
12 lot of citations from our 2013 report on three-
13 quarter houses, and I wanted to respond briefly to
14 some of the questions that were directed at
15 Commissioner Banks about whether he had obtained the,
16 you know, 317 locations that were listed in our
17 report, and I think it's helpful to respond with a
18 little bit of background. When we did that research
19 we wanted to shine a light on the dark housing market
20 of three-quarter houses, but we were very concerned
21 that by bringing attention to it, a possible response
22 would be shutting down three-quarter houses and
23 pushing people into the shelter system, and the last
24 thing that we wanted was for our research to cause
25 people to lose their homes. Now, you know, we've--

2 as the Three-quarter House Task Force has begun its
3 work, we've seen the care with which HRA has tried to
4 address three-quarter houses and the care with which
5 they've tried to avoid people losing their homes and
6 being pushed into the other systems. We've been a
7 part of the meetings that HRA has had with other
8 advocates, and we are happy to, you know, follow up
9 and talk to our researchers in house and see if
10 there's limitations on that data, and also see if
11 that data is still useful at this point, because it
12 is three years old. We support all of the bills that
13 are here that we're discussing today. These bills
14 address the issues with three-quarter houses in
15 really unique and important ways, but while we
16 address the issue with three-quarter houses we also
17 have to continue to work on the multitude of barriers
18 that preclude people with criminal records from
19 accessing housing. Council Member Levin spoke
20 earlier about the issues with the New York City
21 Housing Authority, and in particular, their permanent
22 exclusion policy. For the past two years, PRI has
23 been coordinating the working group of advocates,
24 tenant organizers and legal services to push the New
25 York City Housing Authority to change that policy.

2 We've provided recommendations to NYCHA, and they've
3 accepted that with welcome arms, and they're looking
4 at their policy and changing that. But we do remain
5 concerned that there's a significant increase in
6 permanent exclusions thus far this year, and there
7 are over 5,000 individuals who have been permanently
8 excluded from public housing who are unable to rejoin
9 their families and unable to access existing housing
10 that is there without having to create any new
11 housing. There's also an overwhelming need for
12 supportive housing, and in particular for the new
13 supportive housing units coming online to be
14 specifically targeted towards people with criminal
15 records, and to make sure that that's available.

16 Past supportive housing commitments have really
17 short-changed people with criminal records, and we
18 need to make sure that that's available. And also,
19 in private market housing, there are currently no
20 anti-discrimination laws against criminal records in
21 housing. In Employment Law we have the Corrections
22 Law, we have the Human Rights Law which prevent
23 discrimination, but we don't have those types of
24 protections when it comes to housing, and that's
25 another area where we need to work and make sure that

2 people aren't being discriminated against in private
3 housing market.

4 CHAIRPERSON WILLIAMS: [interposing] Going
5 to have to ask you to do a closing sentence.

6 ALISON WILKEY: Yeah. Yep. I just want
7 to close by saying that really stable housing is
8 central is successful reentry, central to being a
9 thriving member of society, and it's the lynchpin to
10 economic and social opportunity. We hope that these
11 bills can move forward and that we can continue to
12 work with the Council and other laudable work in
13 trying to move forward and make sure that housing is
14 available to every New Yorker.

15 ENRIQUE ROJAS: Good afternoon, everyone.
16 My name is Enrique Rojas, and I'm the Manager of
17 Reentry Services at the Women's Prison Association.
18 Thank you for the opportunity to speak in favor of
19 the package of the three-quarter house bills today.
20 Women's Prison Association is a 170-year-old social
21 services organization that provides assistance to
22 formerly incarcerated women. We work with women at
23 all stages of criminal justice involvement. We
24 promote alternatives to incarceration and help women
25 living in the community to avoid arrest or

2 incarceration by making positive changes in their
3 lives. Inside prison and jail we are a source of
4 support to women and a resource to them as they plan
5 for release. After incarceration, women come to WPA
6 to help build their lives that they want for
7 themselves and their families in the community. WPA
8 is concerned about the quality of housing available
9 to women coming out of prisons and jails. In our
10 experience, housing is a key component of successful
11 reentry following incarceration. Part of our work is
12 helping women to find safe, decent, affordable, and
13 permanent housing. Housing placement is challenging
14 given the dearth of housing in New York City for very
15 low income people. Some of the women we work with
16 resort to living in three-quarter houses because they
17 have no other housing options. We hear from our
18 clients that in three-quarter houses they often
19 endure unsafe conditions, harassment and evictions
20 without notice and little privacy. I recently
21 enrolled a client into our program and she told me
22 she was being harassed by her landlord. He asked her
23 to leave by November 1st of this year because he had
24 someone else who could pay more, 800 dollars to be
25 specific. I'm hoping it's not a referral from HRA

2 with a SEPS voucher. The women [sic] is on public
3 assistance and she cannot pay that kind of rent. For
4 several weeks she's been sick and emotionally drained
5 due to stress caused by the uncertainty of her living
6 situation. At WPA we help link women coming out of
7 incarceration to educational and job training
8 programs. We are concerned that program attendance
9 requirements imposed by three-quarter house landlords
10 can interfere with our client's ability to
11 participate in programs that could help them achieve
12 job readiness and eventually financially
13 independence. In our view, one size does not fit
14 all, while our clients' needs vary, some of the
15 three-quarter houses mandate all their residents to
16 engage in the same treatment regardless of whether it
17 would be beneficial to them. This is not the proper
18 role of a landlord. We urge the Council to pass
19 these bills. Thank you very much.

20 CHAIRPERSON WILLIAMS: Thank you so much
21 for all of your testimony. I have a question, but
22 I'm going to turn to my Co-Chair.

23 CHAIRPERSON LEVIN: Thank you, Mr. Chair.
24 Just one question for Ms. Wilkey. Can you speak a
25 little bit about the methodology of how you

2 identified or your organization identified those 317
3 addresses when you did the report?

4 ALISON WILKEY: I would have to go back
5 and speak with our researchers to be able to speak
6 very specifically to the methodology, but I'm happy
7 to do that and get back to you.

8 CHAIRPERSON LEVIN: Okay. Obviously,
9 the-- you know, HRA is like, you know, has one
10 methodology that they're using right now, and if back
11 in 2013 your organization was able to identify more
12 addresses, I'm curious to know what they did.

13 ALISON WILKEY: Absolutely.

14 CHAIRPERSON LEVIN: Great. Thank you.

15 CHAIRPERSON WILLIAMS: My question is for
16 you, Ms. Wilkey, as well, because I pushed kind of
17 hard on this, so I want to make sure I didn't push
18 unduly. So, based on what you said, did it make
19 sense that they didn't reach out to the 317? Do you
20 give them all the information they needed to reach
21 out to the 317?

22 ALISON WILKEY: Well, to be clear, I
23 would need to go back and talk to researchers in my
24 office and other people working in my office to make
25 sure that they didn't reach out. So, I don't-- I

2 don't actually want to say definitely that the City
3 has not reached out without talking to other people.
4 But I will say that again as I said, as we were doing
5 this research, we were very concerned about keeping
6 this data confidential because we didn't want to run
7 into a situation where people were going to be losing
8 their housing.

9 CHAIRPERSON WILLIAMS: Okay, thank you
10 very much. Thank you so much for the work that
11 you've been doing on this, and I appreciate your
12 testimony. And we have our last panel, Constance
13 Lesold, is Constance here? Okay. Wendy O'Shields,
14 is Wen-- Brenda Riley? Alright, all from-- oh, well,
15 no. Constance is Brooklyn Mental Hygiene, and the
16 others are from Safety Net Activists, and we have a
17 last minute addition, Tanya Kessler from MFY Legal
18 Services whose been getting a lot of praise.

19 CHAIRPERSON LEVIN: And Mr. Chair, I just
20 wanted to take the opportunity to thank all of the
21 members of the previous panel for all the good work
22 that they do in representing clients and working to
23 ensure people's legal rights and quality and safe
24 housing.

2 CHAIRPERSON WILLIAMS: Those are the last
3 panelists that we have signed up for today's hearing.
4 So, again, the last opportunity for anyone who wants
5 to testify, you can come now to the Sergeant at Arms.
6 Can you all raise your right hand please? Do you
7 affirm to tell the truth, the whole truth and nothing
8 but the truth in your testimony before this committee
9 and to respond honestly to Council Member questions?
10 You'll each have three minutes, and you can begin in
11 the order of your preference.

12 TANYA KESSLER: Can you hear me now?
13 Good afternoon. I'm Tanya Kessler from MFY Legal
14 Services. I'm a staff attorney on the Three-quarter
15 House Project at MFY. I'm going to cut through a lot
16 of the-- a lot of my testimony because much has been
17 covered. I think that both Chairs provided good
18 definitions of what a three-quarter house is, as did
19 the Commissioner and as did a TOP leader. I want to
20 say that since we started the Three-quarter House
21 Project at MFY in 2009, the three most common issues
22 that have come to us from our clients have been
23 unsafe conditions, forced treatment and illegal
24 evictions, and the proposed bills, this package,
25 touches on all of these critical issues. So, I just

2 want to say briefly why these are so important to our
3 clients and how the bills would address the problems.

4 And I also want to address some of the testimony by
5 the city agencies. I think it was clear from prior

6 testimony that the reason for landlords' insistence

7 that three-quarter house tenants attend outpatient

8 programs or attend specific medical providers is not

9 out of their concern for tenants doing well and for

10 tenants' sobriety, but it's because of Medicaid

11 fraud, and our view is that no person should have to

12 hand control over their body and health to a landlord

13 in order to keep a roof over their head. We applaud

14 the legal actions against Medicaid fraud that have

15 been taken already, and that it sounds like are still

16 underway. Those are really important, but those cases

17 take years to bring, and in the meantime, tenants are

18 in daily and immediate jeopardy. So that's why it's

19 really important that tenants have a mechanism to

20 challenge this unlawful practice by being able to

21 bring an HP action in court. On hazardous

22 conditions, that's sort of the second and it's not in

23 order of importance, but the second big issue that we

24 hear from our clients. Three of the bills before the

25 Council would address hazardous conditions, Intro's

2 1167 and 1171, to facilitate access to relocation
3 services, and 1166 on the task force reporting data.

4 I want to tell a story of one of MFY's former
5 clients, Dennis Illary [sp?], who wanted to testify
6 today but was unable to come. I did submit written
7 testimony for him, and I think it illustrates the
8 obstacles that three-quarter house tenants and other
9 very low income tenants face in accessing relocation
10 services. Mr. Illary is 65 years old and has some
11 serious medical issues. He'd been living in terrible
12 conditions in a three-quarter house in Cypress Hills
13 when the Department of Buildings issued a vacate
14 order. When he applied for relocation services, HPD
15 told him that his application ws incomplete because
16 he could not provide a verification from his
17 landlord. In fact, HPD helped him contact his
18 landlord who refused to provide that information.
19 Why? Because she moved everybody right back in. And
20 so he was only able to obtain relocation services
21 when we found out about the availability of legal
22 help seven months later. Mr. Illary testified in
23 front of HPD when they were-- when they had proposed
24 their new rule to put a time limit, and
25 unfortunately, as he pointed out, he would not have

2 been eligible for relocation services had such a time
3 limit been in effect. So his story illustrates how
4 three-quarter house landlords operate in bad faith,
5 and that bad faith creates huge obstacles, but
6 there's also other huge obstacles, which is that
7 three-quarter house tenants--

8 CHAIRPERSON WILLIAMS: [interposing] If
9 you can give a closing sentence.

10 TANYA KESSLER: Okay. Three-quarter
11 house tenants just don't have those documents, and I
12 attached to my testimony the list of documents that
13 HPD asks for. I want to quickly respond to HPD's
14 testimony on this--

15 CHAIRPERSON WILLIAMS: [interposing] Well,
16 we can maybe do that in the questions.

17 TANYA KESSLER: Okay.

18 CHAIRPERSON WILLIAMS: We can just go to
19 the next testimony, and then we can have some follow-
20 up questions.

21 TANYA KESSLER: Okay.

22 CHAIRPERSON WILLIAMS: So, we can pause
23 for here.

24 TANYA KESSLER: Sure.

2 CHAIRPERSON WILLIAMS: And then we'll
3 come back when we ask questions.

4 TANYA KESSLER: Okay, thank you very
5 much.

6 CHAIRPERSON WILLIAMS: Thank you.

7 CONSTANCE LESOLD: my name is-- is it on?

8 CHAIRPERSON WILLIAMS: No. You can press
9 the button right there. There you go.

10 CONSTANCE LESOLD: my name is Constance
11 Lesold, and I have listed myself as representing the
12 Brooklyn Mental Hygiene Court Monitors Project, which
13 was in existence for ten years and has been rather
14 quiet in recent years, but we'll be-- we are
15 rebuilding. I'm down here today as a result of the
16 fine work of Vocal, and I want to thank all of you on
17 the City Council. I've known of Steve Banks's work
18 for a long time. Steve Banks, all these wonderful
19 organizations down here for bringing out all these
20 problems that I gather the New York Times
21 precipitated all of this. It's very important that
22 these bills be passed. I do want to give them my
23 support. However, I took the opportunity to speak
24 today because I think you're seeing hopefully the
25 bottom of the barrel in terms of treatment programs

2 and housing for people who need it, but the same
3 problems to a large extent exist in supportive
4 housing, and I have friends who have tried to
5 organize tenants' groups and advisory, tenant
6 advisory groups, in supportive housing, and this has
7 proved to be very, very difficult. I have friends
8 who are in outpatient commitment where the housing
9 has declared that they would not take them back from
10 the hospital unless they were in outpatient
11 commitment, although the psychiatrist in the hospital
12 did not support the outpatient commitment. We have a
13 problem throughout our mental health system in this
14 city right now with forced treatment. So, I am so
15 grateful to all the organizations here today for
16 bringing out the problems with forced treatment at
17 the worst level, but the problems with forced
18 treatment exists at all levels. I want to remind you
19 that people who have been given psychiatric diagnoses
20 are living 25 years shorter lives than the rest of
21 us. It has been well documented. So we cannot be
22 setting up a system where we see this is the bad
23 treatment program and this is the good treatment
24 program when they're all highly questionable and in
25 the Dark Ages. I'm sorry to have to say that. My

2 background is psychiatric social worker. I have
3 worked in Harlem Hospital, Kings County Hospital,
4 Community Service Society, and I could go on. So,
5 and I have worked in drug treatment programs. So,
6 it's not exactly that I don't know. I'm 78 years
7 old. So, please pass these bills. Do your best to
8 create low income housing, because if you don't get
9 the low income housing out there, you're just going
10 to be vulnerable to whatever. Anyway, thank you very
11 much for this opportunity, and thank you for this
12 wonderful work. I don't want you to take what I say
13 as an attack on anybody or anything here.

14 CHAIRPERSON WILLIAMS: We got it. Thank
15 you.

16 BRENDA RILEY: Hello. My name is Brenda
17 Riley and I'm currently with the Safety Net
18 Activists. I also do community activist in my
19 neighborhood which is in Bed-Stuy, part of Bed-Stuy
20 and Bushwick, and sometimes I work with a group
21 called No Family Left Behind, and the reason for that
22 logo was that we are finding that there are many,
23 many families and communities that are going without
24 faces, afraid to come and show their faces because
25 there's a stigma that goes along with being in

2 poverty and not getting. I want to begin by telling
3 you that I support all bills regarding the three-
4 quarter housing, except the 30-day rule. I think the
5 30-day rule is not enough time for a person to get
6 all things that they properly need in order to move
7 forward. It is already a person that is stressed and
8 having difficulty. So, to place more stress on that
9 person to get documents that they need is not
10 beneficial. More so I'm here because of the rule for
11 1035. I'm requesting a promulgation rule which would
12 increase the current public assistance rental
13 allowance level from the existing rates of 1,988 to
14 reflect the current New York City rental increase
15 throughout the five boroughs to prevent displacement
16 and further gentrification of communities leaving the
17 most vulnerable persons with limited and too often
18 deplorable housing conditions to families and persons
19 who are in need of safe and violation-free housing.
20 This blind and insightful action has further
21 gentrified neighborhoods and people are homeless who
22 fall on hard times. I want to give you a face to the
23 modern day poverty, and that's my face. I will be
24 that person. I'm a grandmother, a community
25 activist, a guardian of two children, our

2 grandchildren, trying to ensure their wellbeing,
3 their education and a place to live. We currently
4 receive an HRA grant and social security disability.
5 Neither program has received a cost-of-living
6 increase adjustment in years. When this is all said
7 and done-- I live in affordable housing. I just want
8 to say that, but I've also had death, and this death
9 left me penniless due to cancer. I often ask myself
10 if things should change because the children are
11 getting older, where will I go? That's the great big
12 question. My cry of human poverty is li-- is loud to
13 deaf ears. And to magnify this, no one wants the
14 poor on their block or in their community. Senior
15 housing is a five-year waiting list. I'm sorry I
16 can't finish it, because it should be finished,
17 because it speaks to people who you think should be
18 and not be, and it's not that way. It's truly not
19 that way. Okay, thank you.

20 CHAIRPERSON WILLIAMS: Thank you.

21 WENDY O'SHIELDS: Hello, my name is Wendy
22 O'Shields, and I'm testifying for the Safety Net
23 Activists, and we support Resolution 1035 and Intro
24 Number 1166. We believe that basic income is needed
25 for all New Yorkers. A universal basic income is

2 guaranteed income for all New Yorkers. This would
3 guarantee a safety net for everyone's most basic
4 needs. That's where-- on Resolution 1035. And on
5 1166, three-quarter houses are illegal in the State
6 of New York as per Class B Multiple Dwelling Laws
7 C#9: Lodging houses, rooming houses, boarding houses,
8 furnished rooms, lodging, and club houses shall be
9 used as temporary abodes. In addition to the
10 certificate of occupancy and their subsequent live
11 load severely limited-- I mean, severely limit who
12 may occupy the Class B Multiple Dwellings and how
13 many human beings may reside in the physical space.
14 Zoning Restrictions may vary per location and must be
15 checked thoroughly for each three-quarter house to
16 determine whether they must be relocated. Three-
17 quarter houses are illegal in multi-family
18 residential dwellings that's a one or two-family
19 residence and should be immediately shut down.
20 Please inform the City of New York Department of
21 Homeless Services that it's illegal to place DHS
22 shelter residents into three-quarter housing. This is
23 a crime as per Title 31. Please consider my
24 suggestions and work toward a better and more
25 equitable New York City. Thank you.

2 CHAIRPERSON WILLIAMS: Thank you very
3 much all for your testimony. I have some questions,
4 but I want to turn to my Co-Chair for his questions
5 first.

6 CHAIRPERSON LEVIN: I just have one
7 question that occurred to me. Most of the three-
8 quarter houses residents that I've encountered are
9 men. Are there women's three-quarter houses out there
10 in New York City that I haven't--

11 WENDY O'SHIELDS: [interposing] I've had
12 some of those conversations, and yes, there are for
13 women. I don't know all the locations, but I've
14 heard the stories.

15 CHAIRPERSON LEVIN: Thank you.

16 CHAIRPERSON WILLIAMS: I have some
17 questions for Ms. Kessler. Just going over the
18 documentation list. Can you just make
19 recommendations that you think might be good to add
20 to this documentation list that makes sense for--
21 reasonable sense to identify someone's ID, who they
22 are, and that HPD can take into advisement?

23 TANYA KESSLER: Sure. I mean, we think
24 that other kinds of documentation that can be helpful
25 can be letters from service providers, for example,

2 where someone has been getting services of some kind,
3 whether it's medical services or something else. If
4 HPD could actually get the person's consent, they
5 could get HRA records very easily and a lot more
6 easily than the tenant who is currently displaced and
7 on the street. And so that would be a way to
8 facilitate verification for some people. So, we've
9 had success in advocating for individual tenants that
10 HPD do accept that documentation, does accept it.
11 The problem is that I think that the flexibility that
12 HPD testified that they employ does not match our
13 experience, and that is has required an attorney
14 being involved in order for three-quarter house
15 tenants to access relocation services, and in order
16 for the agency to be willing to consider other types
17 of documentation than what's on their list.

18 CHAIRPERSON WILLIAMS: So, they have
19 several things. Obviously, they're weighted. Are
20 you saying some of the weighting is not good?
21 Because it says documentation on letter head from
22 federal, state or local agency. Does that not include
23 service providers under list A?

24 TANYA KESSLER: So usually it's not a
25 government agency that--

2 CHAIRPERSON WILLIAMS: [interposing] So
3 this is referring only to government agency.

4 TANYA KESSLER: someone can get it.
5 Yeah, those-- that generally refers to a government
6 agency, or at least that's what our understanding has
7 been. So--

8 CHAIRPERSON WILLIAMS: [interposing] So,
9 specifying that it could include service providers is
10 one, and then if the tenant can get permission for
11 HRA records is another?

12 TANYA KESSLER: Right. That's another
13 way. I mean, we've had-- we've had clients who've
14 had, like, prescriptions that had their address on
15 it, and that's something that we've advocated that
16 the agency accept. And so, I think that, you know,
17 we can--

18 CHAIRPERSON WILLIAMS: [interposing] I'm
19 just trying to think. Prescriptions, wouldn't they
20 just-- the prescription-- the doctor's writing a
21 prescription you're saying.

22 TANYA KESSLER: The doctor writes the
23 prescription, but sometimes the pharmacy has the
24 record of the person's address, and that's included
25 on--

2 CHAIRPERSON WILLIAMS: [interposing] But
3 that would be-- could I-- I mean, I could just walk
4 up and tell the pharmacy I live some place. I don't
5 know if they do any back-checking on it.

6 TANYA KESSLER: Right. So, that's where
7 I think we-- we think it's understandable that the
8 agency may want more than one piece of documentation,
9 but also if you see that the address is from prior,
10 then if the-- you know, if the documentation is from
11 before the vacate order, somebody's not planning in
12 advance that there's going to be a vacate order and
13 that they're going to put together that
14 documentation.

15 CHAIRPERSON WILLIAMS: So that-- so a
16 prescription could be on the lower end of the
17 weighted spectrum with additional documents?

18 TANYA KESSLER: Sure, yeah.

19 CHAIRPERSON WILLIAMS: Sure. My Co-Chair
20 has some questions.

21 CHAIRPERSON LEVIN: Just as a follow-up
22 to that. So, what about the actual shelter allowance?
23 Like, the fact that HRA pays the shelter allowance to
24 that location, is that not-- do they not accept that
25 now, or they're not able to obtain that?

2 TANYA KESSLER: They do accept that. I
3 think that the problem is that you need multiple
4 things, and the other thing is that this person is
5 currently on the street very often, and so you know,
6 running around, going to the job center to wait to
7 see their worker to get that print out, if the agency
8 since they're both city agencies--

9 CHAIRPERSON LEVIN: [interposing] Just get
10 it from one another.

11 TANYA KESSLER: that they can facilitate
12 it, it takes a lot of stress off the tenants.

13 CHAIRPERSON LEVIN: Got it. Okay.

14 CHAIRPERSON WILLIAMS: Or maybe instead
15 of-- it says Section 8 voucher is one. Maybe we can
16 just make it to any rental assistance.

17 TANYA KESSLER: Sure. I mean, I think
18 that people who are currently living in three-quarter
19 houses are generally not receiving rental assistance
20 such as SEPS or Section 8.

21 CHAIRPERSON WILLIAMS: But they're
22 receiving-- they're receiving some shelter allowance,
23 something from HRA.

24 TANYA KESSLER: That's right. They are
25 receiving a shelter--

2 CHAIRPERSON WILLIAMS: [interposing] So we
3 can just--

4 TANYA KESSLER: [interposing] Some of
5 them are.

6 CHAIRPERSON WILLIAMS: We just maybe
7 additional government services. Okay. There was
8 something else you wanted to share?

9 TANYA KESSLER: Yeah, I just wanted to
10 respond to HRA's suggestion that their new portal is
11 a way to transmit information, and it sounds like a
12 great idea to transmit information that way, and we
13 wouldn't oppose transmitting that information in that
14 way, but we don't think that it should be the only
15 way because unfortunately I would say the majority of
16 my clients don't have regular internet access. And
17 also, they need the information in advance in order
18 to oppose an illegal eviction. So when they're
19 illegally evicted, often times they need to call on
20 the police to help them document like a piece of
21 paper from HRA that lays out their rights can be very
22 helpful when they're advocating with the police to
23 get their landlord to let them back in. So, having,
24 you know, information that's theoretically available
25 through a portal is not going to be helpful in the

2 sort of on-the-ground experience of a lot of our
3 clients.

4 CHAIRPERSON WILLIAMS: Thank you very
5 much, and thank you for all of the advocacy and all
6 of your testimony, and thank you for sharing your
7 personal story with us today. Thank you so much.
8 So, we want to thank MFY again for their leadership,
9 and of course, Tenant Organizing Project and all the
10 members' organizations of those, and of course the
11 tenants themselves who were brave enough to come and
12 help and have helping for many years. And we do want
13 to-- someone mentioned it, but we want to make sure
14 we shout out the New York Times for the story that
15 they did that helped bring a lot of this to light in
16 the age of Twitter news and Instagram news. It goes
17 to show what good in-depth journalism can still do in
18 this day and age, help bring things to light and have
19 government respond to it. It shows infrastructure is
20 kind of working the way it's supposed to work.
21 Unfortunately, it didn't work sooner. Hopefully we
22 can get on one accord with the Administration and get
23 some of these bills passed. For the record, we have
24 Public Advocate Tish James' testimony, Homeless
25 Services United, the Osborne Association, and Dennis

2 Elny [sp?]. I've also provided testimony. I want to
3 thank my Co-Chair Steve Levin and the General Welfare
4 Committee for what I think was a good hearing and a
5 substantive hearing, and thank you so much again.

6 And with that, the hearing is now closed.

7 [gavel]

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1 COMMITTEE ON GENERAL WELFARE WITH COMMITTEE ON HOUSING & BUILDINGS 162

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date October 22, 2016